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Daily Report

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Daily Report

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General

Spokesman: Territorial Integrity Outweighs Ties

OW1506111195 Beijing China Radio International
in Mandarin to Asia 0900 GMT 15 Jun 95

[From the "News" program]

[FBIS Translated Text] Sino-U.S. relations are, no doubt, important, but the Chinese Government's safeguarding of national unification and territorial integrity is more important than anything else, far more important than Sino-U.S. relations, said Chinese Foreign Ministry spokesman Shen Guofang in Beijing on 15 June.

The spokesman made the above remarks when fielding questions from reporters at the Thursday press briefing.

He said: The U.S. permission for Li Denghui [Li Tenghui] to visit the United States has already done very serious damage to Sino-U.S. relations [yi jing gei zhong mei guan xi zao cheng liao hen yan zhong di sun hai]. The damage exists objectively, and its latent adverse effects will further have a negative impact on the normal development of Sino-U.S. relations [qi qian zai di bu li yin su hai hui dui zhong mei guang xi di zheng chang fa zhan chan sheng fu mian ying xiang]. We hope the U.S. Government will take effective and practical measures to eliminate the serious consequences caused by its permission for Li Denghui's visit.

Meanwhile, the spokesman said: Li Denghui's maneuvers everywhere in the international arena — aimed at creating two Chinas; or one China, one Taiwan — are against the fundamental interests of the people on both sides of the strait.

In response to a Japanese reporter's question, Shen Guofang said: Recently, Japanese Government officials have time and again emphasized that they will not allow Li Denghui to visit Japan. We hope the Japanese Government will abide by its commitments made in the Sino-Japanese Joint Statement.

Further on U.S.-DPRK Nuclear Talks

Joint Statement Made

SK1406133295 Beijing China Radio International
in Korean 1100 GMT 14 Jun 95

[FBIS Translated Text] The United States and the DPRK issued a brief joint statement on the afternoon of 13 June in Kuala Lumpur, the capital of Malaysia, and verified that agreements were reached between the two sides in connection with the nuclear issue.

The statement said that as explained in the basic agreement reached between the two sides, the United States will hold contacts with the DPRK regarding

the light-water reactor issue. The delegations of the United States and the DPRK had started talks in Kuala Lumpur on 20 May for the implementation of the agreed framework that was concluded in October 1994 in Geneva.

The talks lasted three weeks, and as a result, an agreement was reached on the evening of 12 June, and each government's ratifications were received. However, both sides did not reveal the content of the agreement.

ROK Supports Accord

SK1406140195 Beijing China Radio International
in Korean 1100 GMT 14 Jun 95

[FBIS Translated Text] On 13 June, the ROK Foreign Ministry issued a statement in connection with the agreement reached between the DPRK and the United States at the nuclear talks in Kuala Lumpur, and said that the ROK recognizes that this agreement paves the way for providing the DPRK with the light-water reactor in the future and supports it.

The statement said that it hopes that talks between the Korean Peninsula Energy Development Organization [KEDO] and the DPRK will progress smoothly, and that as a member country of the KEDO, the ROK will successfully carry out the project of providing the DPRK with the light-water reactor according to the agreement, thus, the nuclear issue will be thoroughly resolved and the declaration on the denuclearization of the Korean peninsula will be realized.

The statement also said that to carry out the project of providing the DPRK with the light-water reactor, the ROK Government hopes that South-North dialogue can be resumed as soon as possible.

The executive board of the KEDO held the third executive board meeting in Seoul on 13 June, and discussed the issue of providing the DPRK with the light-water reactor and adopted a related resolution. At the meeting it was decided that the light-water reactor provided to the DPRK must be the ROK standard model, and its name must be the Ulchin No. 3 and 4 power plants. Also, it was agreed at the meeting that the important company providing the nuclear power plant must be the Korea Electric Power Corporation.

SRV Rejects U.S. Terms for Normalization

BK1406161195 Beijing China Radio International
in Vietnamese 1100 GMT 14 Jun 95

[FBIS Translated Text] On 13 June, the Vietnamese Foreign Ministry rejected the conditions proposed by the

U.S. Congress for the normalization of U.S.-Vietnamese relations.

Last week the U.S. House of Representatives passed legislation requiring Vietnam to fulfill a number of conditions proposed by the United States before relations between the two countries can be normalized. The conditions include the release of political prisoners, organization of democratic elections, approval of a policy to protect human rights, and settlement of the issue of U.S. servicemen missing in the Vietnam war.

In a press release, the Vietnamese Foreign Ministry affirmed that the normalization of relations between the United States and Vietnam should be based on the principles of equality, mutual respect, and mutual benefit.

Currently, many people in the United States are urging President Clinton to establish full diplomatic relations with Vietnam before the 1996 presidential election campaign.

President Clinton indicated that he would veto the legislation.

U.S.-Japan Trade War Threatens WTO Existence

*HK1506054095 Beijing CHINA DAILY in English
15 Jun 95 p 4*

[Third World Network Features: "Trade War Threatens New Organization"]

[FBIS Transcribed Text] The very rationale for the existence of the World Trade Organization (WTO), set up in January with such great fanfare, is being threatened by the most recent episode of the "trade war" between the United States and Japan.

The US administration announced on May 16 it was imposing 100 per cent punitive import tariffs on 13 Japanese luxury car models which had sales of \$6.9 billion in the United States last year.

The heavy duties are to be provisionally levied on cars landing from May 20, with a final decision on June 28. If implemented, they will surely severely damage or destroy the sales of these cars in America.

The US action is based on its accusation that Japan is unfairly blocking imports of American auto parts suppliers. A statement by Mickey Kantor, the US Trade Representative, accuses Japan of policies and practices that "restrict or deny US auto parts suppliers access to the auto parts replacement and accessories market in Japan."

The US move is a violation of the carefully crafted rules of the international trading system as embodied in

the WTO. Those rules prohibit a member country from taking unilateral trade sanctions against other countries that are part of the WTO.

If a country like the United States feels aggrieved because it believes one or more of its trading partners are using unfair trade practices, it is obliged to try to settle the dispute through consultation, or else complain to the WTO. If efforts at negotiations fail, the WTO will arrange for the case to be heard by a panel of trade experts.

Only if the panel rules that the complaining country's case is justified can it resort to retaliatory measures or seek compensation from the guilty party. Thus, a member country is not allowed to take unilateral action against its partners, however aggrieved it may feel. It must abide by the rules and decisions of the WTO multilateral system.

It was precisely to prevent each country from taking its own trade actions against others that a multilateral trading system was created. The aim was to "provide security and predictability" (in the language of the WTO) in international trade.

There would be anarchy should a country decide on its own that it has been wronged, and then act unilaterally to punish those it considers guilty. That country would be installing itself as victim, judge, jury and executioner.

And if such a country were as powerful as the United States, even strong countries like Japan (let alone weaker ones) would live in fear, waiting for the axe of unilateral sanctions to fall on them.

This situation had, in fact, already existed for several years in the pre-WTO era. The United States, under Section 301 and other related clauses of its national trade law, had investigated its trading partners to determine if any had been operating against US commercial interests.

Those found guilty were put on a "target list" and threatened with sanctions, unless they carried out reforms to the satisfaction of the United States. Some developing countries which were targeted under Section 301 had to bow to US pressure.

These US actions cast a long shadow over the trade system under the General Agreement on Tariffs and Trade (GATT), the precursor of the WTO.

The Southern countries felt it was worthwhile paying the price of having to take on more onerous obligation (for instance in agreeing to introduce stringent intellectual property rights legislation and to liberalize their service sectors), if this would once and for all stop the unilateral bullying actions of the United States.

It was widely perceived the most positive aspect of the Uruguay Round would be the establishment of WTO procedures and provisions that would take precedence over US national trade laws in relation to unilateral trade measures. A "multilateral rule-based trading order" would finally come into its own.

However, even when it signed and then ratified the Uruguay Round, and became a WTO member, the United States did not show any intention of doing away with its Section 301 and other clauses of its national trade legislation that authorize unilateral actions.

United States & Canada

Further on U.S.-Beijing Relations, Li Visit

'Worsening' Relations Viewed

HK1406134595 Beijing RENMIN RIBAO in Chinese
12 Jun 95 p 6

[By Wang Guang (8001 0342): "Where Is the United States Taking Sino-American Relations?"]

[FBIS Translated Text] The U.S. Government's approval of Li Denghui's [Li Teng-hui, U.S. visit is a serious step toward worsening Sino-American relations [e hua zhong mei guan xi de yan zhong bu zhou 1921 0553 0022 5019 7070 4762 4104 0917 6850 2975 7532]. This can be seen very clearly from the tendency of the U.S. Government's China policy in recent years.

Over the past few years, only after going through setbacks and difficulties has the United States improved and developed relations with China. After the disintegration of the Soviet Union, one view prevailed in the United States, which maintained that "China was a counterweight to the Soviet Union" during the Cold War and that it was "no longer important" to set store by relations with China in the wake of the Cold War. In September 1993, Washington came to understand that "China is a crucially important country and that China's importance had been neglected in the preceding few years." The United States then modified its China policy. After that, while pursuing its "total contact" policy, the United States continued to put pressure on China over a series of issues. In May 1994, Washington realized that the United States' pressure was hardly effective for "a country with a population of 1.2 billion people," that "China is a very large and very important country," that "its economy has the fastest growth rate in the world," that its international status and role are important, and that the United States needs to maintain and develop relations with China. The United States then separated the so-called human rights question from China's most-favored-nation trading status. Only since then have Sino-American relations developed vigorously.

During this time, however, another tendency in U.S. China policy was growing. Following China's economic development, some Americans are vigorously advocating the "China threat theory." On 17 April, THE LOS ANGELES TIMES carried an article, saying: U.S. officials "are beginning to pay close attention to China and view it as a possible long-term rival and threat to U.S. interests in the Asia-Pacific region." U.S. officials have repeatedly denied that the United States will isolate and contain China. However, what is notable is that, while briefing the House of Representatives International Relations Committee on 9 February, a U.S. State Department official in charge of East Asian and Pacific affairs said: China "does not pose a direct threat to us. But what is obvious is that, as we look over the next decades, China will become increasingly strong. Therefore, we are pursuing several policies so as to curb this potential threat through all possible means."

The problem of Taiwan has always been a key factor in Sino-U.S. relations. Following the founding of New China, the United States tried to split up and contain it using the Taiwan problem. Only after the U.S. Government made a definite pledge concerning the Taiwan problem were the three Sino-U.S. joint communiques able to lay a foundation for Sino-U.S. relations. Recently, Washington again highlighted the "Taiwan problem" in a series of policy moves to step up the "containment" of China. After upgrading U.S.-Taiwan relations last year, the United States now went one step further to allow Li Denghui to visit the country, publicly creating the "two Chinas" and "one China, one Taiwan."

Now, U.S. Government officials are talking about maintaining relations with China, while in action they are publicly violating the three Sino-U.S. Joint Communiques, thus worsening Sino-U.S. relations. It is reasonable to ask: Where exactly is the U.S. Government taking Sino-U.S. relations?

People with a knowledge of Chinese history will understand that the Chinese people, who were subject to foreign invasion and humiliation for over a century, won their freedom and independence through continuous efforts, perseverance in struggle, and tremendous sacrifices. They treasure the hard-won independence and sovereignty and will absolutely not bow to any foreign pressure. The U.S. authorities have greatly harmed the national feelings of the Chinese people about the problem of Taiwan and those related to China's independence, sovereignty, unification, and territorial integrity. People in Washington must not in any case underestimate the seriousness of the consequences of their action [di gu le ta men zhe yang zuo hui gei mei guo dai lai di hou guo di yan zhong xing 0144 0131 0055 0100 0226

6638 2876 0254 2585 4822 5019 0948 1601 0171 4104
0683 0948 4104 0917 6850 1840J.

For the United States, it should be easy to distinguish clearly between developing normal relations with China and insisting on splitting up China, worsening Sino-U.S. relations, and confronting China. Meddling into and obstructing China's great cause of peaceful unification, creating "two Chinas," one China, Taiwan," and encouraging and supporting the "Taiwan independence" forces can only plunge the United States itself into dire straits and jeopardize U.S. long-term and fundamental interests.

China has not been, is not, and will not be a threat to the United States and other countries. Under the new international situation, if China and the United States abide by the principles laid down by the three Sino-U.S. Joint Communiques, mutually respect one another, treat each other equally, refrain from interfering in one another's internal affairs, and seek common ground and reserve differences, the two countries will be able to play a tremendous role in safeguarding peace and stability in Asia Pacific and the world, and economic exchanges and cooperation between them will enjoy great prospects. This is important for both China and the United States. The United States once preached the "threat of New China" theory and tried to "contain" New China, but it failed to halt China's development, which was the historical trend. In contrast, the United States paid dearly for a series of wrong policies and actions adopted toward Asia based on erroneous estimates. Today, do people in Washington not need to learn some lessons from the course of history?

'All-Out' Confrontation

HK1406131695 Hong Kong WEN WEI PO in Chinese
12 Jun 95 p A2

[Special article by U.S.-based reporter Hai Bi (3189 4310): "U.S. Congress Is Instigating All-Out U.S.-PRC Confrontation"]

[FBIS Translated Text] Washington, 11 Jun (WEN WEI PO)—The U.S. Congress's attempt to weaken and split China is becoming increasingly conspicuous. On 8 June, the U.S. House of Representatives passed the "U.S. Overseas Interests Act" for the next fiscal year, with a majority of 222 votes against 192 votes. Throughout the bill is a series of clauses and contents hostile to China and intended to contain China. If a similar bill is also passed by the Senate and then sent to President Clinton for approval, so that it becomes law, China and the United States will unavoidably become enemies.

The main content of the House of Representative Bill No. 1561 — which is more than 350 pages thick —

calls for cutting U.S. foreign aid and streamlining some overseas organizations of the U.S. Government. As the House passed the bill, however, it stuffed it full of a lot of direct or indirect anti-Chinese trash. Judging from the China-related clauses and contents of the bill, U.S. Congressmen are not simply playing with domestic politics to embarrass the Clinton administration, but are trying every possible means to make China the new enemy of the United States

It Boosts Taiwan's Confidence in Seeking Independence

In the "U.S. Overseas Interests Act" bill passed by the House, some of the clauses directed at China are not merely words, but will probably have binding legal force. This means that, if the U.S. executive branch is not going to veto it, it must be implemented. For example, the bill empowers the U.S. Government to amend laws so that the "Taiwan Relations Act" can prevail over the communique signed between China and the United States on 17 August 1982. In other words, the United States will have no limitations on the quantity and quality of weapons to be sold to Taiwan in the future, in such a way that the United States can sell to Taiwan whatever it wants and can supply whatever quantity Taiwan wants. This will boost Taiwan's confidence in seeking independence.

On the Tibet question, the U.S. House bill empowers the U.S. President to send an "ambassadorial" special envoy to Tibet. The bill provides that the functions of the special envoy to Tibet are to "promote" relations between the U.S. Government and the Dalai Lama "exiled administration" and "coordinate" U.S. policy, plans, and projects related to Tibet. The special envoy to Tibet will be under the secretary of state and will regularly give reports on his work and other relevant topics before Congress. In other words, the U.S. Congress is going to ask the U.S. Government through legal means to give up its official position that "Tibet is part of China" and to recognize that Tibet is an "occupied land." This is another savage act of brutally trampling on China's sovereignty, which is being carried out by a small number of congressmen in the name of the U.S. Congress.

Delaying the Refugee Issue

There are currently a large number of Vietnamese boat people in Hong Kong's refugee camps. They should have been repatriated in accordance with previous arrangements. But the U.S. House bill empowers the U.S. government to reassess the files of these Vietnamese economic refugees. The U.S. Congress, however, does not really want to accept more Vietnamese economic

refugees, but attempts to complicate the matter by delaying the nagging problem beyond 1997 and leaving it with the government of the special administrative region so that China will have to shoulder the extra burden.

In addition to the abovementioned clauses, which are directed against China, the bill contains some declarations hostile to China and measures meant to disrupt China's stability. For example, it asks President Clinton not to accept any invitation to visit China before human rights have completely improved in China. It also asks President Clinton to urge China to abolish family planning in an attempt to make China's overpopulation a disaster and weaken China's national capabilities. It asks for condemnation of China for human rights "violations" in various international organizations and on various international occasions in an attempt to damage China's international image. It urges the calling of international conferences to discuss the so-called "Tibet issue" so as to achieve the vicious objective of splitting Tibet from China.....

Disturbing the World Women's Conference

The Fourth World Women's Conference is scheduled to be held in Beijing this September. An unofficial forum for the assembly will be held in Huairou County on the outskirts of Beijing. Some U.S. anti-PRC Congressmen and hostile forces have long stated that they will use the opportunity to create great confusion in Beijing. This point can be proved by the U.S. House's bill. The bill asks the Clinton administration to wink at U.S. representatives participating in the conference, as they are going to openly support those foreign nongovernmental organizations and groups that attempt to go against the Chinese Government. It also asks that the conference be used as a chance and beginning to force China to "head for political and social pluralism".....

It is true that some stiff-necked anti-Chinese U.S. congressmen want to make a vain attempt to split China and disrupt friendship between China and the United States. Some arrogant politicians are seizing the opportunity to juggle politics with a view to making things difficult for the Clinton administration. Some other congressmen who do not know the truth are being irresponsible by following suit. This tendency is very dangerous. If the U.S. Government does not adopt resolute measures to fight this tendency and change its course, Sino-U.S. relations will break down sooner or later.

People here maintain that, in addition to the work that needs to be stepped by China regarding the U.S. Congress, a formidable task before the U.S. Executive Branch should be to let some simple-minded U.S. Congressmen know one thing: If they intend to instigate

all-out confrontation with China, the U.S. Congress will have to revise its global strategy and will have to assume responsibility for all serious consequences arising therefrom. If the United States does not want to intensify the tense situation between the two sides of the Taiwan Strait and if it does not want direct and all-out confrontation with China, it should continue to stick to its current policy of maintaining contact with China in all areas, and Congress should not go any further.

Now is the time for the Clinton administration to exert influence over the congressmen to stop them from damaging the basic China policy, which has been followed by the previous and current U.S. administrations since China and the United States established diplomatic relations 26 years ago.

Clinton Blamed for Visit

*HK1506102495 Hong Kong WEN WEI PO in Chinese
13 Jun 95 p A3*

["Special article" by WEN WEI PO New York-based special correspondent Kuan Wen-liang (7070 2429 0081): "As the Decisionmaker and Advocate for Allowing Li Teng-hui To Visit the United States, the Clinton Administration Cannot Shift the Blame"]

[FBIS Translated Text] New York, 12 Jun— Li Teng-hui's U.S. Visit Has Become an Important Part of the Anti-China Forces

The Clinton administration was not, as the Western media have generally reported, manipulated by Congress to allow Li Teng-hui to visit the United States. Instead, this move was made by the White House after careful consideration and was intentionally aimed at Beijing, using Li Teng-hui's "request" to visit the United States and congressional "pressure." This decision is one of the steps taken by the anti-China forces in the United States to check and deal a blow at China. It is aimed at finding out the actual situation at the Chinese policy-making level in the "late-Deng" or even "post-Deng" era. The U.S. Government has obviously adjusted its China policy, which is more inclined to the anti-China forces than previous presidents; it can even be said that, in macroscopic terms, Li Teng-hui's U.S. visit has become an important part of the anti-China forces in the United States.

Why did the Clinton administration change its previous stance and suddenly allow Li Teng-hui to visit the United States? After summing up news sources from Washington and views from diplomatic circles, the process of changes is: Last year, pro-Taiwan Senator Frank Murkowski (Alaska, Republican), Senators Paul Simon (Illinois, Republican), and Hank Brown (Colorado, Republican) pushed the "proposal" through the

congressional committees last year. The Clinton administration did not attach importance to their move, nor did it dissuade them from pushing the proposal through. It only took their move as the "wish" of individual senators. This year, the Senate and the House of Representatives passed by an overwhelming majority a resolution that "has no binding effect." At that time, in light of the diplomatic relations between Washington and Beijing, the State Department openly expressed its opposition to the resolution. Congress also did not react strongly to the remarks of Assistant Secretary of State Winston Lord and others.

Last Spring, rumors of Deng Xiaoping's declining health were circulating overseas: He was rumored to be "confined to his bed," "given emergency treatment at hospital," and the like. The U.S. intelligence system also stepped up its studies and analyses on the question of Chinese successors. The State Department, the Department of Defense, the Central Intelligence Agency, and various institutes for Chinese studies produced a great many analyses and reports on this issue. Almost all of them were of the view that the Chinese political situation is "likely to be unstable," "to be changed".... All of a sudden, not only the mainstream media took "Post-Deng China" as a hot topic, but the financial sectors in the West also refused or reduced individual loans to China on the grounds of "post-Deng instability." The White House knew these situations very well, because the departments related to diplomacy, intelligence, national defense, economy, and trade studied and touched on the same issue.

The Formulation That the Clinton Administration Is Under Congressional Pressure Is Not True

The White House at first did not concern itself with Li Teng-hui's U.S. visit because Congress had not "steadily pressed" the Clinton administration to allow him to visit the United States this year. The resolution adopted by the Senate and the House does not have any binding effect. In view of the open speeches made on many occasions by State Department officials to oppose Li Teng-hui's U.S. visit, even Taipei did not hold out any hope that he would be allowed to visit the United States this year. The Clinton administration spread the news that Congress was to formally legislate it if Li Teng-hui was "not allowed" to visit the United States. Anyone who knows the U.S. Congress and Government well could not believe it. "Expressing wishes" can be done easily, but "legislating it" will certainly give rise to all disputes. Over the past 20 years, the U.S. Congress has had very few such "legislative cases" involving diplomatic actions. To most members of Congress, U.S.-China relations were nothing. The

Clinton administration said it acted under congressional pressure. This was only said to Beijing, but did not tally with the facts.

Clinton Personally Approves Li's Entry Into the United States

In late May, the word from the White House was that President Bill Clinton had personally approved Li Teng-hui to make a "private visit" to the United States. Those involved in this decision included National Security Adviser Anthony Lake and Secretary of State Warren Christopher, who constitute the U.S. Government's highest decisionmaking level on U.S.-China relations. They agreed on Li making a "private visit" to the United States, rather than making a private visit in "transit," as the Taiwan authorities expected. Before a formal announcement was made of this decision, some people had privately broken it to Taipei. The reaction of the Taiwanese authorities was very cautious, for they could hardly believe the Clinton administration would give them such a "generous gift."

When the White House announced this decision, Taipei's reaction was "an unexpected gain," "overjoyed," and "happy May astonishment." The Taiwan authorities, the Kuomintang, and the Democratic Progressive Party rejoiced at the news. Public opinion on the island gave full play to the "self-inflation" mentality of the island people.... In Congress, however, apart from some prominent pro-Taiwan figures, congressmen did not react, and no one thanked President Clinton for his decision.

Deliberately Scheming Against China

News from Washington has revealed that the White House and the State Department have all along paid attention to Beijing's reaction to this incident. The U.S. decision to allow Li Teng-hui to visit the United States was aimed at Beijing. The whole process of the incident showed that the Clinton administration was using Li Teng-hui's "request" for a visit and Congressional "pressure" to scheme against China, especially to find out the reaction of the Chinese leadership in the "post-Deng era" toward this incident. In addition, through this incident, they want to make U.S.-Taipei relations and U.S.-China relations "more in balance," which would allow Washington to gain the upper hand in the triangular relations and more effectively pin down [qian zhi 3677 0455] Beijing with U.S.-Taiwan relations.

Informed sources even believe that the anti-China forces in the United States plan to launch "a comprehensive attack on China" in an attempt to "disintegrate China" and make it follow in the footsteps of the former Soviet

Union. The crucial moment of launching "a comprehensive attack" is when the Beijing decisionmakers "fail to reach a consensus," "are divided or even split" in responding to the U.S. decision. This is only the wishful thinking of the United States. It is not possible for China to follow the same old disastrous road of the former Soviet Union and to be tricked by the Americans.

In the 1980's, it still could be said that the U.S. Republican administration and the Democratic Congress had different policy towards China, with the former emphasizing "pragmatic diplomacy," and the latter having anti-Communist and anti-China Congressmen "hold back the administration." In the mid-1990's, the United States and the international situation have changed dramatically, with the anti-China forces becoming rampant. This year, in particular, is a year in which, the U.S. politicians believe, "personnel changes" are to take place in the Chinese highest leading body. It has become a fact that the United States is plotting against China. The Clinton administration's role in the anti-China policy and action has become very obvious over the past two years. In light of the U.S. decision to allow Li Teng-hui to visit the United States, it is beyond doubt that the Clinton administration is both the decisionmaker and executor.

'Patching-Up' Efforts 'Pretense'

HK1506074395 Hong Kong WEN WEI PO in Chinese
14 Jun 95 p all

["Special article" by New York-Based WEN WEI PO special correspondent Kuan Wen-liang (7070 2429 0081): "What the United States Calls 'Patching Up' Is But a Pretense—Commenting on the White House Playing the Same Old Trick After Li Teng-hui's U.S. Visit"]

[FBIS Translated Text] New York, 13 Jun—After trampling upon the three Sino-U.S. joint communiques by allowing Li Teng-hui to visit the United States, the Clinton administration has played the same old trick again. Besides making a lot of explanations to Beijing, it also spread rumors that it intends to "patch up" U.S.-China relations. But in the view of diplomatic observers here, past history and current facts have proved that it is the U.S. Government that pursues "two Chinas" or "one China, one Taiwan" and that it has played the role of a decision-maker and promoter. Therefore, what Washington calls "patching up" is but a strategic gimmick to prevent Beijing's foreign policy from deviating too far from what the United States has envisaged, to continue to pin down [qian zhi 3677 0455] Beijing, and to wait for an opportunity to disintegrate [jie ti 6043 7555] China.

The White House Is Said To Consider Inviting Jiang Zemin To Visit the United States

During Li Teng-hui's U.S. visit, there was word from Washington's political circles that the Clinton administration was inclined to consider some actions to pacify Beijing's "oversensitive reactions." It was disclosed that the "patching-up" plans under consideration included sending an invitation to President Jiang Zemin for an official visit to the United States, not initiating the "denunciation" of Beijing in the UN human rights organization, and partially lifting sanctions imposed on Beijing since the summer of 1989.

For days the Clinton administration has been insisting that the president's policy decision is "correct" and that the one-China policy remains unchanged. However, as was pointed out by an Asian diplomat, the aim of the U.S. foreign policy of both drawing in and hitting out is to increase Washington's edge in the triangular relations among China, the United States, and Taiwan and to twist Beijing and Taipei "round its finger."

All Previous Presidents Have Never Forgotten To Pursue "Two Chinas"

Historical facts show that since the establishment of Sino-U.S. diplomatic relations, all previous U.S. presidents have never stopped promoting "two Chinas" or "one China, one Taiwan." During the Carter administration, China and the United States established diplomatic relations in 1979. While signing the "Communique on the Establishment of Diplomatic Relations," the Carter administration also signed the "Taiwan Relations Act," which stipulates in explicit terms that the United States has an obligation to ensure Taiwan's security. The act provides the so-called "basis" for the latter-day China-U.S.-Taiwan triangular relations and serves as an important link in the U.S. West Pacific strategy.

The Reagan administration was both conservative and anticommunist. But at that time, with the Soviet Union taken as the most important enemy of the United States, Beijing was not the principal target of attack. The United States sold arms to Taiwan every year, over which Beijing lodged strong protests. Eventually, China and the United States issued the 17 August Joint Communique, stipulating that arms sales to Taiwan would "decrease year by year." In the ensuing six years, the Reagan administration went all out to besiege, block, and deal with the Soviet Union and tried by every possible means to disintegrate the Soviet Union and the East European bloc. President Reagan even visited China in 1984. In those few years, Sino-U.S. relations developed steadily.

George Bush Also Made a "Major Move" Before Being Defeated in a Presidential Election

During the Bush administration, the 4 June 1989 incident occurred in Beijing. The U.S. Government took the lead in imposing sanctions on Beijing, almost completely blockading China. But President Bush firmly refused to cancel China's most-favored-nation [MFN] status, and vetoed Congressional legislation on three occasions. Of course, he took such actions with U.S. economic interests in mind. When all exchanges were practically halted, he wanted to retain a channel with which to influence China and he did not want to break completely with Beijing. Bush knew full well that the Beijing regime would not collapse even without MFN status. Far from bestowing a favor on Beijing, President Bush acted in line with U.S. national interests.

But in 1992, Bush tore up the 17 August Communiqué by announcing the sale of 150 advanced F-16s to Taiwan. The White House described this as "in line with" the spirit of the communiqué. Outwardly President Bush took this action to improve his hand for his reelection bid. The fact is, however, that on the one hand, Beijing began to break the siege, blocking, and sanctions of the West and opened up a new situation diplomatically; and on the other hand, the Soviet Union and the East European bloc were toppled by the United States. Being anxious to establish a so-called "new world order" and deeming it unnecessary to use the "China factor" to counterbalance [zhi heng 0455 5899] the Soviet Union, President Bush immediately made a "major move"—using U.S.-Taiwan relations to pin down Beijing.

The Clinton Administration Is the Anti-China Decision-Maker

Soon after taking office, President Clinton reversed his stand in the election campaign. He did not cancel MFN status because large nongovernmental enterprises realized the importance of the Chinese market and would not allow the White House to shake the economic and trade pillar of U.S.-China relations. However, the Clinton administration has never relaxed its pressure on Beijing in terms of human rights and trade issues. It engineered the "SS Yinhe" incident to vilify Beijing and blacken China's international image. It accused Beijing of "violating" the international arms sales agreement and created trouble for China on the nuclear proliferation issue. It tried by every possible means to hinder China from joining GATT and the World Trade Organization. It deployed pawns in China's neighboring states.... President Clinton even "accidentally met" the Dalai Lama under completely unnecessary circumstances.

The number of instances in which Clinton has harmed [sun hai 2275 1364] U.S.-Chinese relations since taking office is perhaps greater than the total number of such instances relating to his three predecessors over 16 years. More importantly, he has seriously damaged [yan zhong po huai 0917 6850 4275 0975] China's sovereignty on the diplomatic front twice: Upgrading U.S.-Taiwan relations last year and allowing Li Teng-hui to visit the United States this year. All previous U.S. Governments did not forget to promote "two Chinas" or "one China, one Taiwan," but the Clinton administration has adopted more blatant tactics and made more frequent moves given the anti-China macroclimate in the United States.

Either a Trap or a Joke

It is normal that there should be disputes and conflicts of interest between countries, and it is also common to make things difficult for adversaries diplomatically. However, hinting at "patching up" after deliberately trampling upon the territorial integrity and sovereignty of another country is just a pretense! Those who have briefly studied international relations know that damage caused by friction in bilateral relations can be "patched up," but for China, which maintains its independence and keeps the initiative in its own hands, there is no room for compromise on the issue of state sovereignty. Washington has exactly hit [da ji 2092 2345] Beijing on the issue of state sovereignty, regarding this as an important means of hegemonism to disintegrate China. How can this be "patched up!"

At a recent forum, a Chinese-American professor of political science pointed out: Now that even Li Teng-hui can visit the United States, what other things cannot possibly happen between the United States and Taiwan? What he meant is that the U.S. Government is seeing how the land lies before supporting Taiwan's entry into the United Nations and comprehensively establishing the fact of splitting China, and "by that time what is to be patched up with Beijing?" As a UN foreign observer here put it, "what the Clinton administration calls patching up is either a trap or a joke. Beijing can well do without being too keen on Washington's patching up!" He added, "Beijing should lay more emphasis on an independent foreign policy."

'Two-Track China Policy'

HK1506053895 *Beijing CHINA DAILY in English*
15 Jun 95 p 4

[From the "It Seems to Me" column: Article by Guang Li: "China Stands Firm on Li's Visit to U.S."]

[FBIS Transcribed Text] Disregarding strong protests from the Chinese Government, the United States has allowed Taiwan "president" Li Teng-hui to visit.

Such a move will inevitably negatively affect Sino-US relations not only in politics, but also trade and economics. How can entrepreneurs expand their business when they know there are big knots to be untied between the countries?

The question of Taiwan has always been a key issue in Sino-US relations. In the Three Communiques signed by both sides, the United States recognized the government of the People's Republic of China as the legitimate government of China. It acknowledged the Chinese position that there is one China and that Taiwan is part of China. It promised to maintain unofficial relationships with Taiwan.

Only after the US administration had made explicit commitments and undertaken solemn obligations on the question of Taiwan, were Sino-US relations normalized in 1973.

The development of Sino-US relations has been up and down because of different political systems. The fact the United States considers China as a potential enemy has established that it will play the role of troublemaker in bilateral relations.

That is why it has continued to sell advanced weapons to Taiwan — a part of China; that is why it has been brandishing the club of sanctions against China on any excuse, and that's why it permitted Li to visit the United States.

The relations between the two sides of the Taiwan Straits have grown rapidly over the past few years, as marked by economic, trade and cultural exchanges. These contacts are viewed as a promising start to the peaceful reunification of the country.

Some Americans harbouring malicious intent toward China are worried about this trend. Considering China a potential enemy, the last thing they hope to see is for China to be united and powerful.

They are ready to do anything to maintain the division so they can use Taiwan to contain China. For this purpose, they need a puppet like Li who seems to be overjoyed in winning that little international recognition.

Some might wonder why the Chinese make such a fuss about Li's visit since US President Bill Clinton has explained that Li's is a private visit.

To learn more about the matter, one will find the United States is playing the foolish trick of "plugging one's own ears while stealing a bell," according to a Chinese idiom. As a result, it will put itself in an awkward position.

Whatever pretext is used, Li's visit is political in nature because of his political status as the "president" of "the Republic of China." Li has made it public that "the most important thing about my visit to the US is to illustrate the existence of the Republic of China."

For quite a long period of time, the US Government has become more brazenly supportive of a handful of politicians in their remarks and actions aimed at splitting China. This is in line with the so-called two-track China policy of the United States.

U.S. 'Quota Chargebacks' Viewed

OW1506104395 *Beijing XINHUA in English*
1030 GMT 15 Jun 95

[FBIS Transcribed Text] Beijing, June 15 (XINHUA) — If the US persists in sticking to its incorrect position of unilateral quota chargebacks, it will be very difficult for the Chinese government to maintain cooperation with the US in combating the illegal transshipment of textiles, and the Chinese government can not, but take corresponding actions to defend the interests of China.

A leading official of the Foreign Trade Administrative Department of the Ministry of Foreign Trade & Economic Cooperation (MOFTEC) made the statement here today.

According to the official, MOFTEC has sent a letter to the US on May 22 again, requesting the US to rescind its quota chargeback decision, and suggesting that a joint inspection panel be established to conduct further investigations into these cases, but the US has not made any response yet.

He said, the quota chargeback action unilaterally taken by the US this year has caused not only nearly 100 million US dollars of loss to China, but also great economic losses to the US importers, retail dealers as well as US consumers. It has seriously impeded the normal and healthy development of Sino-US trade.

On Oct. 5, 1994, the US sent a letter to China, alleging that Chinese enterprises have transshipped 1.8 million dozens of garments through Hong Kong. The letter claimed that while investigating bribing cases of US Customs officials, the US Customs Service (USCS) discovered that two US importing companies Mcfarland

and Greenfield imported ready-made garments from Rayson and Tonlaw Companies of Hong Kong, and brought over USCS officials for release of the goods with false declarations. At the request of the USCS, Hong Kong Customs searched the above-mentioned two Hong Kong Companies, and obtained evidence that part of the goods were originated in China. Based on this, the USCS inferred that the 1.83 million dozens of goods that these two US importers imported and sold to US wholesalers from 1990 to 1991 were all of Chinese origin.

For the alleged 1.83 million dozens, the US only provided China with evidence of 70,000 dozens in March 1993, and the US alleged that the rest of the evidence could be found from the investigation results of the Hong Kong Customs.

In order to trace down the true facts, the Chinese side approached the Hong Kong Customs in time for all the evidence of their investigation. Results of HK Customs investigation showed that the above-mentioned two Hong Kong companies only exported 101,519 dozens of goods to the US between 1990 to 1991.

Based on investigation results of HK Customs and the evidence of 70,000 dozens provided by the US, an earnest investigation was conducted by the Chinese side, results of which showed that Chinese enterprises only exported 198,000 dozens of goods to the two HK companies.

Two rounds of consultations between China and the US were held on Dec.6, 1994 and March 6, 1995 in Beijing and Washington respectively, during which the Chinese side pointed out many times in all seriousness that:

1. Out of the 1.83 million dozens alleged by the US, the US did not provide evidence of 1.63 million dozens proving that the goods were originated in China. It is absolutely unacceptable to China for the US to draw conclusion only through inferring.

2. For the 198,000 dozens that were proved to be of Chinese origin, investigation results of both HK Customs and the Chinese side all proved that it was the US importers who changed the packing of the garments that were exported to Hong Kong by Chinese enterprises, transshipped them to the US after sewing new labels on them, and bribed the USCS officials for release of the goods with false declarations.

In no position can Chinese government bear the responsibility of the illegal transshipment brought about by the unlawful practice of US businessmen and USCS officials, hence to accept the quota chargeback taken by the US on this case. No agreement was reached during

the March 6 consultation, and both sides agreed to further investigate the case.

The Chinese side requested that no unilateral quota chargeback action be taken by the US before the next round of consultation. The US did not raise any objection against it, and a Record of Discussion was signed. But in disregard of the Record of Discussion, the US persisted in going ahead with the quota chargeback action.

The Sino-US Memorandum of Understanding signed in Jan. 1994 stipulated that: Paragraph 14 (B): Both parties agree to cooperate fully, consistent with their domestic laws and procedures, in instances of circumvention or alleged circumvention of the Agreement to establish necessary relevant facts in the places of import, export, and where applicable, transshipment. The parties should endeavor to clarify the circumvention or alleged circumvention, including the respective roles of the exporters or importers involved.

Paragraph 14(C): Should either party believe that this Agreement is being circumvented and that no, or inadequate measures, are being applied to taking actions against such circumvention, either party may request consultations with a view to seeking a mutually satisfactory solution.

Paragraph 14(D): Should the parties be unable to reach a satisfactory solution in the course of the consultations called for under paragraph 14(C), then the Chinese Government and the United States agree that in cases where clear evidence regarding circumvention, including the country or place of true origin and the circumstances of the cases, has been provided, the United States may deduct from the quantitative limits for that Agreement year amounts equivalent to the amount of transshipped products of People's Republic of China origin.

Pursuant to the above provisions, for the alleged transshipment cases:

1. Both parties should hold full consultations.
2. The US should provide clear evidence proving that the goods were originated in China.
3. Both parties should clarify the respective roles of exporters and importers.

Paragraph 14(E) also clearly defined "evidence" as the B/Ls, invoices, contracts, etc. of Chinese enterprises.

With reference to consultations, MOFTEC has mentioned that instead of having detailed discussions of the case, the two consultations were confined to exchange of reports. On March 6, MOFTEC presented the US

with the results of Chinese investigation, and after that it was in await for another round of consultation after the US finishes the review of Chinese report.

With reference to evidence, the US charged 1.83 million dozens for this case. But besides the 170,000 dozens of evidence based on US and HK investigation, for the remaining 1.66 million dozens, the US only provided the following so-called evidence:

1. Two packing lists of Rayson Company with a quantity of 1500 dozens and 371 dozens respectively. The packing lists did not show the involvement of any Chinese enterprises and can not prove the true origin of the goods.
2. One B/L of Bum Equipment Co. of the US with a quantity of 1500 dozens. This B/L also can not prove the origin of the goods.
3. One copy of USCS entry record that only showed the goods falsely declared by Macfarland Co. of the US (Rayson Co. of Hong Kong). Neither can it indicate the true origin of the goods.
4. One copy of USCS entry record that only showed the goods falsely declared by Greenfield Co. of the US (Tonlaw Co. of Hong Kong). Neither can it indicate the true origin of the goods, nor did it show the detailed amount of each batch of goods. It should be noted here that in entry 18 of this USCS entry record supplier's identification (SID) "KRSEOSEUSED" was a South Korean enterprise established in Seoul, and in entry 42, SID "CNZHUHAI380ZHU" was an enterprise that did not exist at all after our investigation.

The foregoing evidence can not prove that the goods were originated in China at all, and it is not up to the requirement of the bilateral agreement on the "evidence of the origin of the goods," the director-general said, adding that it is obviously too irresponsible for the US to arbitrarily charge China's quotas with a volume of nearly 100 million US dollars.

"A comparison between the amount and category charged by the US and the results of Chinese and Hong Kong investigation shows that the quota chargeback taken by the US was totally groundless. The US negotiators claimed during consultation that they based their chargeback upon evidence obtained by Hong Kong customs. But the amount they charged was 10 times larger than the amount traced down by the Hong Kong Customs. The Chinese side requested the US to provide evidence that the 1.83 million dozens were all of Chinese origin. Instead of giving any reply to the reasonable request of the Chinese side, The US stated that the US would not charge China's quotas if China can present evidence showing that the 1.8

million dozens of goods were not originated in China. Isn't it like putting the cart before the horse for the US to request China to present evidence showing that the goods were not of Chinese origin while the US itself did not provide any evidence of the origin of the 1.66 million dozens of goods?"

With reference to the clarification of the respective roles of importers and exporters, the official said, investigations of both Hong Kong and China all proved that the transshipment to the US of the 198,000 dozens of goods exported by Chinese enterprises was engineered and organized by the US importers in collaboration with the USCS officials without the involvement of Chinese enterprises. "There is no way for Chinese enterprises and Chinese government to prevent US importers to transship the goods, which were sold from China to Hong Kong, to the US through collaborating with USCS officials, and the responsibility for the criminal actions of US importers and USCS officials should not be borne by the Chinese government."

On the issue of the US unilateral deduction of China's quotas by 1.4 million dozens and its decision to re-credit 700,000 dozens to China this year, the official said that last July, the US side unilaterally deducted China's quotas neither with full consultation, nor with providing clear evidence. "It only based its allegation that 1.34 million dozens of garments under category 352 transshipped to the US from the Dominican Republic were all made of Chinese cut components on the lopsided statements made by the businessmen and plant managers of the Dominican Republic. The Chinese side conducted investigation based on the namelist of the Dominican factories and the results of the investigation showed that most of the goods were not of Chinese origin. Before the evidence, the US can not, but admit that the deduction of China's quotas last year was incorrect and agreed to recredit 700,000 dozens. This fully demonstrated that the quota chargeback actions taken by the US were irresponsible and groundless."

On the deduction of the 1.83 million dozens this year, he said, the US once again based its allegation on the lopsided statements of the US wholesalers, and arbitrarily concluded that all garments purchased by the US wholesalers from the two US importers from 1990 to 1991 were from China.

"China believes that the US has adopted an irresponsible attitude in making the recent two quota chargeback decisions, which has brought trouble to the Sino-US economic and trade relations," he said, adding that China hopes that the US can draw a lesson from its past practice and take "an earnest, responsible, pragmatic and down-to-earth attitude" in resolving the issue.

Central Eurasia**Moscow, Beijing Adopt 'Capitalist' Trade Style**

MS1406135595 London *FINANCIAL TIMES*
in English 14 Jun 95 p 3

[Report by Chrystia Freeland: "Russia And China Agree Capitalist Trading Style"]

[FBIS Transcribed Text] Moscow — Russian and Chinese officials vowed yesterday to reverse the decline in trade between the two reforming communist giants by adopting a more capitalist way of doing business.

Mr Li Lanqing, attending the third session of a joint Sino-Russian economic commission in Moscow, said Russia and China should abandon the barter deals which characterised the trade relationship before Soviet communism collapsed.

Instead, Mr Lanqing said trade between Moscow and Beijing should be regulated according to western-style contracts and conducted in hard currency.

The attempt to introduce capitalism into the trading relationship between the world's erstwhile leading communist states shows how profound the shift in domestic policy has been in both countries.

In the past, the Sino-Russian relationship fluctuated between co-operation in the shared struggle against the capitalist west and a rivalry for pre-eminence in the communist world.

Today, as both countries, in varying ways, are seeking to move towards the market, they have become rivals in the effort to attract western capital. Tension between the two, particularly along their border, has taken on a decidedly economic tone as Russians in the Far East fear competition from more aggressive Chinese traders.

The Sino-Russian economic commission is an attempt to reduce these hostilities and find ways to stimulate trade, which has slumped as both countries struggle to adjust to the market economy.

Mr Oleg Davydov, the Russian deputy prime minister, who represented Moscow at the talks, said he was confident a more capitalist relationship would help to boost trade. This year's trade turnover was likely to reach \$5bn-\$5.5bn.

Mr Davydov hoped the export of Russian technologies to China would increase. In addition to 17 existing Russian projects in China, Mr Davydov lobbied his Chinese counterparts to award Russian companies a role in the construction of the San Xia hydro-electric power plant.

Moscow's effort to improve its trading relationship with China also reflects a wider shift in Russia's trade

policy. Many Russian companies, which still rely on outmoded Soviet technology, have been frustrated by their failure to capture a substantial share of western markets, leading to accusations of western protectionism in some Russian circles.

But the general failure of Russian companies to win big western clients has persuaded many businesses to shift their focus back to the former Soviet Union's traditional trading partners.

In addition to yesterday's efforts to increase Sino-Russian trade, this trend has also inspired Russia's controversial decision to sell nuclear reactors to Iran and its attempt to reopen trade with Iraq.

Northeast Asia**Sino-ROK Industrial Cooperation Committee Meets****Technical Cooperation Stressed**

SK1506112895 Seoul *YONHAP* in English
1047 GMT 15 Jun 95

[FBIS Transcribed Text] Beijing, June 15 (YONHAP) — South Korea and China agreed here on Thursday to promote the creation of a joint organization for technical cooperation in areas other than the four key sectors — automobile, airplane, electronic exchange and high-definition television — on which bilateral industrial cooperation is currently concentrated.

An official at the South Korean Embassy in Beijing said the agreement was made during talks between visiting South Korean International Trade and Industry Minister Pak Chae-yun and Chinese Foreign Trade and Economic Cooperation Minister Wu Yi.

"The accord is based on the growing need of technical cooperation between the two countries in miscellaneous industrial areas as well," the official said.

Other topics discussed at the Pak-Wu talks included China's imposition of value-added tax on foreign-capital industries, South Korea's anti-dumping tariff on Chinese zinc ingots, protection of intellectual rights, and an increase in the number of Chinese worker-trainees in South Korea.

Earlier in the day, Minister Pak called on Machine-Building Industry Minister He Guangyuan and the two agreed on expanded cooperation on machinery and electronics areas between the two countries, the embassy official said.

Minister Pak was in China attending the second Korea-China Industrial Cooperation Committee meeting.

Wang Zhongyu at Conference

HK1506053495 Beijing CHINA DAILY in English
15 Jun 95 p 2

[By Yang Yingshi: "Sino-ROK Co-operation in Industry Looks Bright"]

[FBIS Transcribed Text] China and the Republic of Korea can expect a bright future in industrial co-operation, a senior Chinese official said yesterday.

"After a year of efforts, the two governments have made adequate progress in co-operation in four areas — the development of automobile spare parts, high definition television, civil aviation technology, and digital switching system technology," Wang Zhongyu, Minister of the State Economic and Trade Commission, told the two-day Second Session of the Sino-ROK Industrial Co-operation Committee which opened yesterday in Beijing.

In addition to listening to work reports on co-operation in the four sectors, meeting participants also will discuss the feasibility of co-operation in other fields between the two countries.

Sino-ROK industrial co-operation in the four areas began last June at the First Session of the Committee held in Seoul.

Wang told those attending the conference that the Republic of Korea has become China's fourth largest trade partner. The ROK delegation, led by Minister of Trade, Industry and Energy Pak Chae-yun, participated in the conference.

At yesterday's meeting Wang also said that China will keep improving and strengthening major economic reforms introduced last year in finance, taxation, foreign trade, investment, price and the circulation system.

Yesterday afternoon, Premier Li Peng also met with the minister and his party at the Great Hall of the People in Beijing.

Li Peng expressed his hope that co-operation fields would be chosen in the light of the industrial policies and the needs of the two countries.

"Once decided, they should be implemented to the letter," he stressed.

DPRK's Yanggang Delegation Arrives in Jilin

SK1406140295 Changchun JILIN RIBAO in Chinese
24 May 95 p 1

[FBIS Translated Text] At the invitation of Jilin Province, an eight-member economic delegation of the DPRK's Yanggang Province, headed by Yi Kong-pil, chairman of the Yanggang Provincial Administra-

tive and Economic Guidance Committee, arrived in Changchun by train on 23 May.

On the same evening at the Nanhu Guesthouse, He Zhukang, secretary of the provincial party committee, and Gao Yan, governor of the provincial government, met with the Korean guests. He Zhukang expressed a warm welcome to the delegation. He said: Like the whole country, Jilin has paid full attention to the friendship cemented with the fresh blood of the Chinese and the Korean peoples. We are very glad to see that under the leadership of Comrade Kim Chong-il, the Korean people have made great achievements in building socialism. Jilin Province has paid full attention to contacts and cooperation with the DPRK, particularly Yanggang Province.

He said: Over the past years, Jilin Province has made great achievements in reform and opening up, reaped bumper agricultural harvests, maintained a sustained and stable increase in industrial production, and ceaselessly improved people's living conditions. He wished that the delegation would win a success in this visit. He also asked Yi Kong-pil, head of the delegation, to pass on the cordial regards of the Jilin people, totaling 25 million, to the people of Yanggang Province.

Yi Kong-pil, head of the delegation, thanked Secretary He Zhukang and Governor Gao Yan for their meeting with him and for their introduction of Jilin's situation. He pledged to make his best to promote contacts and cooperation between the two countries, particularly with Jilin Province. Present at the meeting were Yang Qingcai, deputy secretary general of the provincial government; Liang Jichang, chairman of the provincial foreign affairs office; Bao Xuelong, chairman of the provincial planning committee; Guo Yongde, chairman of the provincial economic and trade commission; Li Jieche, director of the provincial foreign economic bureau; and Wu Wencan, deputy director of the provincial foreign trade department.

Southeast Asia & Pacific

Zou Jiahua Continues Australian Visit

Outlines Guidelines for Ties

OW1406145695 Beijing XINHUA in English
1435 GMT 14 Jun 95

[FBIS Transcribed Text] Sydney, June 14 (XINHUA) — Visiting Chinese Vice Premier Zou Jiahua has outlined five-point guidelines concerning the further development of Sino-Australian economic and trade relations in the latter half of the 1990s.

Zou said that as the international economic relations are undergoing profound changes, "it is a challenge for the people in the economic field of the two sides to find ways to consolidate the mutually beneficial economic cooperation between the two countries."

It is also the challenge for them to find ways to explore new areas of cooperation and upgrade such cooperation, he added.

Zou, who is now on a week-long visit to Australia, made the remarks at a luncheon hosted by the Sydney Business Community here today.

He said that to ensure a sound foundation for the development of such relations in the next century, the two sides should continue to work hard in the following areas:

— To maintain the momentum of a smooth development of bilateral relations between the two countries and sustain their growth.

These constitute a prerequisite for the business community of the two countries to build up confidence in long-term mutually beneficial cooperation, he said.

To do so, he added, "The two sides should maintain high-level contacts, expand friendly exchanges between personnel from all walks of life, seek common ground while putting aside differences, deepen mutual understanding and share successful experience in economic development and national buildings so that our bilateral ties will be of greater vitality."

— To promote the economic cooperation and trade between the two sides from a strategic and long-term perspective.

As China and Australia are Asian-Pacific nations, the two sides "should look beyond this century in developing cooperation and make greater contribution to the common prosperity of the region," he said.

— To bring into full play the imagination and creativity, and carry out, on the basis of equality and mutual benefit, various forms of cooperation, including joint development, technological exchanges and transfer, personnel training, joint operation and management and joint development of market.

— While further tapping cooperation potentials in the traditional fields such as agriculture, animal husbandry and mining, efforts should be made to explore new spheres of cooperation in areas of transportation, telecommunications, energy, key raw materials and urban infrastructure.

— To facilitate cooperation in high-tech industries, "We should intensify efforts in joint development of new

technologies and new products by combining high-tech with manufacturing techniques and in opening up new markets."

Zou pointed out that as the two big countries in the Asia-Pacific, China and Australia have a greater economic complementary, and tremendous potential and broad prospects for developing economic cooperation and trade.

He expressed his confidence that as long as the two nations take a strategic view, look into the 21st century and work together closely, "we will be able to build a better future for Sino-Australian relations."

In his speech, Zou also briefed participants on the great progress China has made in its economic development and opening up to the outside world.

Meets Prime Minister

OW1406151895 Beijing XINHUA in English
1444 GMT 14 Jun 95

[FBIS Transcribed Text] Sydney, June 14 (XINHUA) — Australian Prime Minister Paul Keating met Chinese Vice-Premier Zou Jiahua here today and the two leaders had an extensive exchange of views on bilateral relations and the world issues of common interest.

During the meeting, Zou, first of all, expressed his thanks for the invitation from the Australian Government and the hospitality it has accorded to him.

Zou, who is now on a week-long visit to Australia, said that the purposes of his trip are to increase understanding, enhance friendship and promote cooperation for the joint development.

While expressing his welcome to Zou's visit to Australia, Keating spoke highly of the achievements in the development of bilateral relations since the establishment of diplomatic ties more than 20 years ago.

He also stressed the importance of continuing to expand cooperation between the two countries in the bilateral and multi-lateral areas.

Keating said that the Australian Government and people are very concerned about China's great economic reforms.

He said that he is confident that there will be greater growth in bilateral economic and trade ties since Australia and China have great complementarity economically and good friendship.

Zou Jiahua said that China is satisfied with the sound development of relations between the two nations and is willing to continue, together with Australia, to work for the promotion of this important relations.

He hoped that through the direct understanding of the experiences Australia has made in its economic construction, China and Australia can explore new ways to expand economic and trade cooperation.

Zou said that with the economic development of the two countries, the two sides may explore the cooperation in areas such as resources process, to which Keating has agreed.

Keating also expressed Australia's support for China's joining in the World Trade Organization.

He also hoped that the two countries would cooperate closely to work for a successful convention of the informal meeting of leaders of the Asia-Pacific Economic Cooperation (APEC) slated to be held in Osaka, Japan, in November, so as to push forward the trade liberalization.

Zou, expounding China's principle stand on the above-mentioned issue, stressed that the interests of each APEC member should be considered in the trade liberalization, because of the various levels of economic development of the APEC members and their different conditions.

He also said that it is helpful for the two countries to often exchange views on the issue.

During the meeting, Zou conveyed greetings from Chinese Premier Li Peng to Keating, who, in turn, asked Zou to convey his best regards to Li Peng.

After the meeting, Zou and his entourage flew to Canberra this afternoon to continue their trip in Australia.

Envoy Presents Credentials in New Zealand

*OW1506100995 Beijing XINHUA in English
0740 GMT 15 Jun 95*

[FBIS Transcribed Text] Wellington, June 15 (XINHUA) — New Zealand supports China's aspirations to join the World Trade Organization (WTO) and hopes that the entry negotiations will soon be completed to the satisfaction of all parties.

This was stated by New Zealand [NZ] Governor-General Dame Catherine Tizard today when she received credentials from new Chinese Ambassador to NZ Huang Guifang.

"In our region the Asia Pacific Economic Cooperation organization offers further opportunities for us to work together," she said.

Dame Tizard said NZ values the excellent relations it enjoys with China and the two countries have many common interests and shared objectives at the international level.

She said in NZ, there is a strong interest in China and a warm affection for the Chinese people, whose achievements NZ admires.

Huang said during the chat that China and NZ, though having different social systems, understand and respect each other. This provides an important guarantee for a smooth development of their relations based on equality, mutual benefit and long-term stability.

He believed that the in-depth development of the relations is blessed with a sound basis and favorable conditions and holds out a broad vista.

West Europe

Li Lanqing Arrives in Finland

*OW1506084095 Beijing XINHUA in English
0644 GMT 15 Jun 95*

[FBIS Transcribed Text] Helsinki, June 14 (XINHUA) — Chinese Vice Premier Li Lanqing arrived here today on a three-day visit to Finland.

He was greeted at the airport by his Finnish counterpart Sauli Niinistö.

During their talks, Niinistö, also minister of justice, pointed out that Sino-Finnish trade soared in recent years thanks to the rapid development of the Chinese economy, adding great potentials still exist in their economic and trade cooperation.

Finland is expecting the visit of Chinese President Jiang Zemin, he said.

Noting Finland is one of the first western countries that recognized China, Li said his mission is to prepare for the visit of President Jiang and make contributions to economic and trade cooperation between the two countries.

Following the talks, two agreements were signed by which Finland will extend 60 million dollar loans to China.

The Chinese business group, accompanying Li, also signed four contracts, totaling 20 million dollars, with Finnish enterprises.

Finland is the first leg of Li's four-country Nordic tour, which will also take him to Norway, Iceland and Sweden.

Beijing Notes French Nuclear Test Decision

*HK1506035295 Hong Kong AFP in English
0312 GMT 15 Jun 95*

[FBIS Transcribed Text] Beijing, June 15 (AFP)— China said Thursday it had "taken note" of the controversial decision by French President Jacques Chirac

to resume nuclear tests, and called on France to make "concerted efforts" to craft a future ban on nuclear testing.

"We have already taken note of the announcement of the French government," a foreign ministry spokesman said, referring to the announcement in Paris Tuesday that France would conduct eight nuclear tests at Mururoa Atoll, in the South Pacific, from September.

"At the moment, the parties concerned are working actively in Geneva to reach a good treaty on a comprehensive ban on nuclear tests, no later than the end of 1996," the spokesman told AFP by phone.

"We hope that France will work with other countries, including China, in continuing making concerted efforts to realize such an objective."

It was China's first official statement on Chirac's announcement, which was reported without comment by the media here.

China had been the only declared nuclear power to snub a three-year-old moratorium on testing. The moratorium had been observed by Britain, Russia, the United States and France, under Chirac's predecessor, Francois Mitterrand.

Beijing came in for international condemnation after it conducted a nuclear test in western China on May 15—just four days after 178 countries agreed to renew the nuclear Non-Proliferation Treaty (NPT), the cornerstone of efforts to dissuade developing countries from building a nuclear bomb.

The size of the May test was not revealed. But previous tests, in June and October 1994, were below an estimated yield of 150 kilotonnes equivalent of TNT, a figure that analysts said confirmed China was carrying out a programme of warhead miniaturisation.

China has repeatedly said it will stop the tests as soon as the test ban treaty, scheduled to be concluded by the end of 1996, comes into effect.

China and France said they are so far unable to conduct test simulations, in which ultra-fast computers predict the explosion of a nuclear device, but without detonation.

Italian Army Chief Pays Official Visit

Meets Zhang Wannian

*OW1406153395 Beijing XINHUA in English
1434 GMT 14 Jun 95*

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — General Zhang Wannian, chief of the General Staff of the Chinese People's Liberation Army (PLA), held

talks with Vice-Admiral Guido Venturoni, defense chief of staff of Italy, here this afternoon.

Extending a welcome to Venturoni on his China visit, Zhang said that it not only marks the restoration of relations between the two armed forces, but also benefits the development of the overall friendly and co-operative ties between the two countries.

Zhang noted that in the current complicated international situation, the improvement and enhancement of the two armies are in line with the fundamental interests of the two peoples as well as instrumental to world peace and stability. He expressed the belief that the two armies' ties will gain a better development than in the past on the basis of equality, mutual benefit and mutual respect.

Venturoni stressed the fact that the Italian government and armed forces attach importance to developing their ties with China and its army, and will make continuous efforts to this end.

In a frank and friendly atmosphere, the two armed forces chiefs exchanged views on the international and regional situations, and briefed each other on their respective national defense policies and the construction of their armed forces.

After the meeting, Zhang hosted a dinner in honor of Venturoni and his party.

This morning, Zhang presided over a welcoming ceremony for the Italian visitor.

Venturoni arrived here yesterday for a visit to China at the invitation of Zhang. He is the first Italian army leader to visit China in recent years. He will later tour Xian, Shanghai and Shenzhen.

Meets Chi Haotian

*OW1506083895 Beijing XINHUA in English
0650 GMT 15 Jun 95*

[FBIS Transcribed Text] Beijing, June 15 (XINHUA) — General Chi Haotian, Chinese State Councillor and Defense Minister, met with Vice-Admiral Guido Venturoni, Defense Chief of Staff of Italy, and hosted a banquet in his honor here at noon today.

Venturoni and his party are here on a visit as guests of Zhang Wannian, Chief of the General Staff of the Chinese People's Liberation Army.

Reportage on Netherlands Prime Minister Visit

Previews Visit

OW1406060295 *Beijing XINHUA in English*
0527 GMT 14 Jun 95

[By Kang Xinwen, Chen Zhi]

[FBIS Transcribed Text] The Hague, April 13 (XINHUA) — Dutch Prime Minister Wim Kok said today that he will seek to promote mutual understanding and boost "overall cooperation" with China.

In an interview at his office with XINHUA before leaving for his first official visit to China, Kok said that his China trip is mainly aimed at promoting closer bilateral cooperation in the political, economic, trade, cultural, scientific and technological areas.

The prime minister's five-day visit is at the invitation of Chinese Premier Li Peng.

Kok noted that the Sino-Dutch political relations have entered a new and sound phase thanks to joint efforts of the two states and that the Dutch government adheres to "one-China" policy in international matters.

The Dutch government formed in August 1994 is ready to "further strengthen political ties between the two states" and "enhance economic and trade cooperation in an optimal manner" on the basis of a better understanding, he stressed.

The Netherlands, among the top 10 countries in global trade and overseas investment, boasts a rapid-growing economy in the industrialized world.

The northwestern European country is looking with increasing interest at Southeast Asia and China, which are enjoying robust economic growth and huge market potentials.

The Dutch leader praised the economic policies and leadership of the Chinese government which have brought about the country's remarkable economic achievement in the last dozen of years.

He said that his government hopes to help China's economic development through closer cooperation in economy and trade.

In 1994, the Netherlands was China's fifth largest trade partner in the European Union and her investment in China rose to 250 million U.S. dollars.

Acknowledging considerable room for growth in the Sino-Dutch economic and trade cooperation, Kok said that his government is adjusting its policy toward China and is ready to adopt an "active attitude to develop cooperation with it at all levels and in all fields."

He added that a closer cooperation benefits the Dutch economy as well.

Kok said that his country occupies the world's leading places in agriculture, water conservancy, environment protection and transport and is also unique in its trade system, investment and some scientific research projects.

He said he will be accompanied on his tour by representatives from more than 30 major Dutch business groups and enterprises which have "great interest and enthusiasm" in developing cooperation with China.

Dutch ministers of agriculture, water conservancy and transport will also visit China in the second half of the year to "keep and develop the momentum of good cooperation between the two countries," he said.

Arrives in Beijing

OW1406080095 *Beijing XINHUA in English*
0644 GMT 14 Jun 95

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — Dutch Prime Minister Wim Kok arrived here this afternoon on a seven-day official visit to China at the invitation of Chinese Premier Li Peng.

This is Kok's first visit to China since he took office as prime minister in August last year. Kok and his wife are accompanied on their China visit by Vice Prime Minister and Minister of Foreign Affairs Hans Van Mierlo and other Dutch government officials, as well as a large economic delegation.

Later this afternoon, Premier Li Peng will host a welcome ceremony in honor of the Dutch Prime Minister. During his visit, Kok will meet senior Chinese leaders as well as leading officials of central departments and exchange views with them on further promoting friendly relations of cooperation in various fields between the two countries and on other issues of common concern.

Meets Li Peng

OW1406160195 *Beijing XINHUA in English*
1439 GMT 14 Jun 95

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — Chinese Premier Li Peng said here today that China welcomes Netherlands entrepreneurs to invest in China and join their Chinese counterparts in promoting the trade relations between the two countries.

Meeting with the business executives from the Netherlands together with the visiting Netherlands Prime Minister Wim Kok here this evening, the Chinese leader said that China's economy has entered a period of sustained and healthy development, and its trade with

foreign countries has developed to a fairly big scope and it is growing.

He noted that the Netherlands has comparatively advanced technology. "We welcome more Netherlands entrepreneurs to invest in China and join their Chinese counterparts in promoting the trade relations between the two countries," Li said.

Li said that there exists a wide range of areas for Sino-Netherlands cooperation such as agriculture, communications, energy, telecommunications and port construction.

"We would like to cooperate not only with large enterprises of the Netherlands, but also with small and medium-sized ones," he added.

Li said: "Prime Minister Kok promised me during our talks that the Netherlands will provide China with a big mixed loan, which will certainly help facilitate China's economic construction."

These loans are directly linked to projects, which will pave the way for more Netherlands enterprises to enter the Chinese market, he said, adding that in this sense, providing loans will benefit both sides.

He expressed the hope that the Netherlands entrepreneurs will make good use of this visit to contact and hold discussions with their Chinese counterparts so as to deepen their mutual understanding and trust. He wished their discussions fruitful.

Kok said he appreciated the achievements China has made in its reform and opening up to the outside world.

He hoped that the Netherlands' promised loans to China this time will lead to agreements on cooperation between the two sides.

"We hope to find opportunities for friendly cooperation in China's key construction fields," he said.

Li, Kok Discuss Ties

OW1406155895 Beijing XINHUA in English
1458 GMT 14 Jun 95

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — Chinese Premier Li Peng today held talks with his Netherlands counterpart Wim Kok, and both expressed satisfaction with the rapid improvement of and the good momentum for bilateral ties.

Kok said there has been very good co-operation between the two countries in the fields of politics, economy, trade, and science and technology; it can be called a relationship of cooperative partners, he said.

The Netherlands has always regarded China as an important co-operative partner in Asia. Its government

will not only work for the development of bilateral relations, but also push forward the relations between the European Union and China, he said.

Kok noted that a large number of Netherlands entrepreneurs are accompanying him on his visit, adding that he is very pleased to see that they are exploring ways for co-operation with Chinese enterprises.

He expressed the conviction that his China visit will certainly be conducive to deepening and expanding bilateral co-operation.

Li Peng said that China and the Netherlands may differ in national conditions, but they share many common points on efforts to safeguard world peace and boost economic development and their cooperation has been established on a sound basis.

He said that the world is now facing the two tasks of peace and development in which developing Sino-Netherlands friendly ties and co-operation are in the interests of the peoples of the two countries.

China has long enjoyed good relationships with the Western European countries, including the Netherlands. There is no direct conflict of interests existing between them, he noted.

China wishes to develop the all-round relations with the Netherlands and other Western European countries, he added.

Referring to bilateral economic co-operation and trade, Li said that the Netherlands is an important trading partner of China in Western Europe.

The two countries have their own characteristics and at the same time are mutually supplementary in their economies. China is familiar with some large Netherlands companies and welcomes them to expand economic co-operation and conduct direct trade on the basis of equal competition, he said.

Noting that Kok is leading a large mission composed of entrepreneurs, Li said that the visit will be beneficial for industrialists of the two countries in letting them get to know each others' needs and also for expanding exchanges and co-operation.

He said that China is stable politically and growing economically, while its economic legislation is becoming more perfect and the investment environment is quite good.

"Netherlands entrepreneurs are welcome to come to China for investment or running factories," he said.

Li noted that investment competition in the Chinese market is acute, adding, "We hope that Netherlands

entrepreneurs will increase co-operation with small and medium-sized Chinese enterprises besides large ones."

The Chinese government will give support to all kinds of co-operation so long as it conforms to its industrial policy, he stressed.

He said that the Netherlands has accumulated successful experience in agriculture, water conservancy, port construction and horticulture, while China is expected to put emphasis on relying on science and technology to develop its agriculture for several years to come.

Therefore, he said, there exists great potential for co-operation in these areas.

Kok agreed with Li, saying he hoped that entrepreneurs of the two countries would actively explore co-operation in these aspects.

Their talks also touched on aviation co-operation between the two countries.

Li said that China takes a positive attitude toward its co-operation with the Netherlands in this regard.

He expressed the hope that the aviation departments of the two countries would begin talks, and said that the Chinese government is willing to make efforts to encourage them to achieve success in negotiations on an aviation agreement.

Kok said that the Netherlands government wholeheartedly supports China's bid to become a member of the World Trade Organization.

He also reaffirmed the Netherlands government's "one-China" policy. Li expressed his appreciation for this.

Kok invited Li to visit the Netherlands at a time convenient to him. Li thanked him.

At Kok's request, Li gave an account of China's economic development.

Kok praised China's tremendous achievements in economic development, which he said is a contribution to the world.

He agreed with Li's views on how to handle properly the relationship between reform, development and stability, adding that this is of vital importance to economic development.

Kok said that he is confident that China's economic reform will achieve great success.

After the talks the two premiers met with Chinese and foreign reporters and answered their questions. Both described their talks as "fruitful".

Prior to the talks, Li hosted a welcoming ceremony for Kok and his wife, and their party.

Li's wife Zhu Lin and Vice-Premier Wu Bangguo attended the welcoming ceremony and a banquet that Li gave in honor of Kok and his entourage.

Kok arrived here this afternoon on a seven-day official visit to China at the invitation of Premier Li.

This is Kok's first China visit since he became prime minister last August.

Also accompanying him on the visit are Hans Van Mierlo, deputy prime minister and foreign minister, and other government officials.

Li, Kok View Investment

HK1506074295 Beijing CHINA DAILY in English
15 Jun 95 p 1

[By Ma Chenguang: "Dutch Pledge \$791m in Credit"]

[FBIS Transcribed Text] The Netherlands will provide a maximum credit of 1.25 billion Dutch guilders (\$791 million) to help China's industrial reform in the next seven years, Dutch Prime Minister Wim Kok announced in Beijing yesterday.

After talks with Premier Li Peng, Kok declared that 40 per cent of the promised credit will be grants and the other 60 per cent loans.

Kok arrived yesterday for a week-long visit to China with a mammoth political and industrial delegation, indicating his wish to deepen trade partnerships between the two nations.

He affirmed that the Netherlands will stick to a "one China" policy, and vowed to fully support China's entry into the World Trade Organization.

Li said the credit is conducive to fostering China's economic construction and should propel more Dutch industrial products into the Chinese market.

There are 384 Dutch-invested projects operating in China with a contractual investment of over \$700 million.

"There are no direct conflicts between China and West Europe, and the two sides enjoy a good foundation to co-operate," Li said.

Kok replied that the Netherlands has always regarded China as "an important trade partner in Asia."

The Chinese premier focused most of his remarks on further co-operation in trade, agricultural and transportation.

"We welcome more Dutch entrepreneurs to come to China to start businesses," Li stated at the Great Hall of the People.

Pointing out there is fierce competition among investors in China, Li suggested Dutch business people carry out co-operation with middle and small-sized Chinese enterprises in addition to large ones.

The premier also disclosed that China will start talks with the Netherlands on a possible treaty on civil aviation co-operation.

Kok noted his country will not only promote relations with China, but also will enhance China's ties with the European Union.

The 32 Dutch business leaders accompanying their prime minister will explore co-operation with their Chinese counterparts, Kok said.

Li praised the Netherlands for scoring great achievements in the sectors of agriculture, water conservancy, harbour construction and gardening.

He said the Netherlands and China have great potential in unfolding agricultural co-operation.

The Dutch prime minister is expected to meet President Jiang Zemin and National People's Congress Standing Committee Chairman Qiao Shi today in Beijing.

Meets Councillor Li Tieying

*OW150610195 Beijing XINHUA in English
0737 GMT 15 Jun 95*

[FBIS Transcribed Text] Beijing, June 15 (XINHUA) — Visiting Netherlands Prime Minister Wim Kok met here this morning with Li Tieying, Chinese State Councillor and minister in charge of the State Commission for Restructuring the Economy.

During the meeting, Li briefed Kok on China's economic restructuring.

He said that China will concentrate its efforts on developing agriculture, energy, communications, telecommunications and infrastructure facilities while the Netherlands has advantages in these areas.

Therefore, Li said, there exist many opportunities for the two countries to cooperate in the above-mentioned aspects.

Kok said that he was very pleased to have the chance to meet with Li so that he can acquaint himself with China's economic restructuring and exchange views with Li on expanding bilateral economic cooperation and trade.

Luo Gan Meets Portuguese Ministry Delegation

*OW1306093195 Beijing XINHUA in English
0852 GMT 13 Jun 95*

[FBIS Transcribed Text] Beijing, June 13 (XINHUA) — Luo Gan, Chinese State Councillor and secretary-general of the State Council, met with a delegation from the Portuguese Ministry of the Interior, here this afternoon.

Luo and Portuguese visitors exchanged views on issues of common concern.

The delegation, led by Minister Dias Loureiro, arrived here yesterday for a six-day visit to China at the invitation of the Chinese Ministry of Public Security.

Chinese Minister of Public Security Tao Siju held working talks with the delegation here this morning.

East Europe

Jilin Governor Returns From Eastern Europe

*SK1406141195 Changchun JILIN RIBAO in Chinese
22 May 95 p 1*

[FBIS Translated Text] At the invitation of the Netherlands Ministry of Agriculture, head of Fejer County of Hungary, and governor of Warsaw Province of Poland; the Jilin Provincial economic and trade delegation, headed by Governor Gao Yan, paid friendly visits to Netherlands, Hungary, and Poland over 12 days; and satisfactorily returned to Changchun on 21 May.

Through the delegation's visits, Jilin Province has enhanced its friendly contacts and cooperation ties with these three countries. During its visits, the delegation was warmly welcomed and grandly and friendly received by the political and enterprise circles of these three countries [as published]. During its visit to Netherlands, Governor Gao Yan cordially held talks with Jozias Van Aartsen, minister of agriculture; and Fenhov [name as transliterated], governor of Groningen Province. Both sides expressed their willingness to develop friendship and cooperative ties and to conduct economic and trade cooperation. During its visit to Hungary, Arpad Goncz, president of Hungary; and Szekeres [name as transliterated], vice chairman of the ruling party, successively met and held cordial and friendly talks with Governor Gao Yan and his entourage. The delegation also held talks with Laszlo Pal, minister at the Hungarian Ministry of Industry and Trade. The Hungarian side expressed its willingness to establish a direct co-operative relationship with our province and suggested establishing special organizations in charge of the work in this aspect. Both sides discussed specific cooperation

spheres and items and signed the "memorandum of economic and trade cooperation between Jilin Province of the PRC and the Hungarian Ministry of Industry and Trade." The Hungarian commercial chamber especially held a meeting to introduce the situation. Responsible persons of 25 large companies from all parts of the country attended the meeting. At the meeting, Governor Gao Yan introduced Jilin Province's situation in economic development and opening to the outside world, and the meeting participants showed great interest in it. On 15 May, the delegation visited Fejer County of Hungary. Governor Gao Yan cordially talked with Gaifu Szabo [name as transliterated], head of Fejer County; and signed a protocol to establish friendship ties between the province and the county. Both sides expressed to take this as a favorable chance to further develop economic and trade cooperation and friendly contacts. During its visits to Poland, Governor Gao Yan held talks with Bohdan Jastrzebski, governor of Warsaw Province. Both sides expressed their willingness to strengthen friendly contacts and cooperative ties between the two provinces.

During its visits to these three countries, the delegation held talks with some large companies, including Netherlands' Younisen [name as transliterated], Shi-tuoke [name as transliterated], and Meiyin [name as transliterated] Companies as well as Hungary's general power industrial company. They exchanged views on developing projects with World Bank loans and cooperatively developing the project for intensive processing of corn, the livestock breeding industry, and the power industry; exchanged texts of contracts; and signed agreements and memorandums. The delegation also visited and inspected more than 10 plants, agricultural-industrial integrated enterprises, and water conservancy projects; and enhanced its understanding about foreign countries.

On 17 May, the delegation attended the opening ceremony of the "1995 China Jilin Provincial export commodity exposition." Governor Gao Yan enthusiastically made a speech at the ceremony.

The Netherlands, Hungarian, and Polish Embassies to China have paid full attention to the delegation's visits, given assistance in many respects, and ensured the delegation's smooth and fruitful visits.

Liu Xilin, standing committee member of the provincial party committee and vice governor of the provincial government; Su Rong, standing committee member and secretary general of the provincial party committee; and responsible comrades of the departments concerned of the provincial party committee and government, welcomed the delegation at the airport when it arrived in Changchun.

Latin America & Caribbean

Li Ruihuan Meets Cuban State Council Official

OW1406130895 Beijing XINHUA Domestic Service
in Chinese 0648 GMT 14 Jun 95

[By reporters Hou Yaoqi (0186 5069 0366) and Chen Hegao (7115 7729 7559)]

[FBIS Translated Text] Havana, 13 Jun (XINHUA) — When Chairman Li Ruihuan of the National Committee of the Chinese People's Political Consultative Conference met with Vice President Lage of Cuba's Council of State in Havana this afternoon, he said: The Chinese and Cuban economies have their respective strong points. There is tremendous potential for the two countries to cooperate with each other. It is hoped that both sides will make joint efforts to continuously explore new forms and ways to conduct mutually beneficial economic cooperation and trade.

Li Ruihuan said: Sino-Cuban relations have enjoyed smooth development in recent years. High-level officials of the two countries have frequently visited each other. Vice President Lage visited China twice and had friendly meetings with President Jiang Zemin and Premier Li Peng. The contacts between Chinese and Cuban leaders promoted the continuous development of relations between the two countries.

While briefing Lage on China's experience in promoting economic development, Li Ruihuan stressed: What counts is to find a road of development suited to one's own national conditions. One must not mechanically imitate any other country's pattern. He said the close ties between Cuban leaders and the masses left a deep impression on him. This is the basic guarantee for the Cuban people to surmount difficulties and score new successes.

Lage welcomed Li Ruihuan's visit. He said: The sympathy, support, and cooperation extended by the Chinese people to the Cuban people are a tremendous encouragement to them. At present, China has achieved great successes in its reform and economic construction which have caught the attention of all the people in the world. The Cuban Government and people are sincerely pleased with the achievements scored by the Chinese people. Cuba is also carrying out reform and opening up now. It is worthwhile for Cuba to draw on the experience of China.

Lage said: Cuba treasures its friendship with China, attaches importance to its relations with China, and hopes that Chairman Li's visit will promote further development of the relations between the two countries.

Before their meeting, Chairman Li Ruihuan visited Havana University.

Political & Social

Deng Xiaoping's Son Accepts Donation in Beijing

OW1406141395 Beijing Central Television Program
One Network in Mandarin 1100 GMT 14 Jun 95

[Announcer-read report over video; by caption-identified correspondent Liu Jing (0491 7234); from the "National News Hookup" program]

[FBIS Translated Text] [Video opens with medium shot of a bespectacled Deng Pufang accepting donation, followed by close-up of Deng Pufang addressing the ceremony] On 14 June, the (Heng Tong) Co., Ltd. of Zhengzhou, Henan, donated 1 million yuan to the China Welfare Fund for the Handicapped [CWFH] at the Great Hall of the People in Beijing. After accepting the donation, Deng Pufang said the CWFH will use the donation on the rehabilitation of the handicapped and their employment.

Deng Guangen Discusses Deng Theory 'Outline'

OW1406163395 Beijing XINHUA Domestic Service
in Chinese 0922 GMT 8 Jun 95

[FBIS Translated Text] Beijing, 8 Jun (XINHUA) — Ding Guangen, member of the Political Bureau and the Secretariat and director of the Propaganda Department of the CPC Central Committee, attended a discussion with comrades participating in the ninth national seminar of propaganda department directors of provincial and prefectural party committees this afternoon. Briefing the participants on the "Outline for Studying Comrade Deng Xiaoping's Theory on Building Socialism with Chinese Characteristics," he emphasized the need to incorporate the "outline" into the theoretical study plan in line with the spirit of the Central Committee's "circular" and to organize cadres to diligently and thoroughly study Comrade Deng Xiaoping's original works, thereby deepening the study of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics.

Ding Guangen pointed out: The 14th CPC National Congress decided, in explicit terms, to arm the entire party membership with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. To implement this strategic task, the party Central Committee, with Comrade Jiang Zemin as the core, has adopted a series of important measures to effectively promote the study of the theory. The "outline" was compiled with a view to further implementing the task, laid out by the 14th CPC National Congress, of arming the entire party membership with Comrade Deng Xiaoping's theory; and to translating into action the Central Committee's decision on studying Volume 3 of the *Selected Works of Deng Xiaoping* as well as the require-

ment, set by the Fourth Plenary Session of the 14th CPC Central Committee, for organizing the study of the theory on building socialism with Chinese characteristics and the party constitution among party members at large in the next three years; thereby further deepening the study of the *Selected Works of Deng Xiaoping* and the theory on building socialism with Chinese characteristics.

Ding Guangen said: The compilation of the "Outline for Studying Comrade Deng Xiaoping's Theory on Building Socialism with Chinese Characteristics" was a political task. It took two years to be completed, beginning after the 14th CPC National Congress, and was carried out mostly since the publication of Volume 3 of the *Selected Works of Deng Xiaoping*. The "outline" is a fruit of collective labor. Some 20 accomplished theoretical workers in the research of Comrade Deng Xiaoping's theory took part in the task. In the course of compilation, suggestions were solicited from leading comrades at the provincial and ministerial levels, leading comrades of propaganda departments in various localities, some experts and scholars, and responsible persons of the five research centers on the theory on building socialism with Chinese characteristics. After many revisions, with some chapters and sections reviewed personally by leading comrades of the relevant departments, the draft was finally submitted to the Central Committee for examination and approval. The Central Committee issued the "Circular Concerning Printing and Distributing the 'Outline for Studying Comrade Deng Xiaoping's Theory of Building Socialism with Chinese Characteristics'," maintaining that the "outline," which comprehensively and accurately reflects the ideas of the *Selected Works of Deng Xiaoping*, can help us better understand the scientific system of the theory on building socialism with Chinese characteristics; it is an important supplementary material for studying the *Selected Works of Deng Xiaoping* and the theory on building socialism with Chinese characteristics.

Ding Guangen said: The "outline" consists of three parts, some 60,000 characters in 100 entries. The three parts are integrated components, which begin with an exposition describing Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics as the Marxism of contemporary China, then go on to discuss the main contents of this theory as a scientific system, and finally emphasize the need to arm the entire party membership with this theory and to adhere to the party's basic line for 100 years. He pointed out that in the course of compilation, particular attention was paid to the following aspects:

(1) The "outline" should be faithful to the original works, comprehensively and accurately reflect ideas from the *Selected Works of Deng Xiaoping*, and correctly grasp of the spiritual essence of the theory on building socialism with Chinese characteristics. In expounding on this theory, the "outline" should provide a host of quotes from Comrade Deng Xiaoping's original speeches while citing the party's important documents since the Third Plenary Session of the 11th CPC Central Committee and Comrade Jiang Zemin's important theses.

(2) The "outline" should highlight the theoretical system. Further expounding on the main points of this theory's scientific system, the "outline" is divided into 16 chapters in accordance with the 14th CPC National Congress' summation of the nine aspects of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics; centering around the first and foremost basic issue of "what is socialism and how to build socialism"; in close conjunction with China's historical experiences in socialist construction and fresh experiences gained since reform and opening up; and in light of the overall interests of the work of the whole party and the whole country. The first three chapters — ideological line, essence of socialism, and initial stage of socialism — form the quintessence, first and foremost basic issue, and foundation for establishing the theory. The middle eight chapters — basic tasks, development strategy, propelling forces for development, opening up to the outside world, economic structural reform, political structural reform, building of spiritual civilization, and political guarantees — are the extension of the party's basic line of "one center, two basic points" and the core contents of this theory. The last five chapters — strategy in foreign affairs, motherland reunification, reliance on forces, army building, and party building — are the important components of this theory's scientific system.

(3) The "outline" should explain questions, on which the Central Committee has already drawn a clear-cut conclusion, strictly according to the "Resolution of the CPC Central Committee on Certain Questions in the History of Our Party Since the Founding of the PRC," to the 14th CPC National Congress report, and to the guidelines of the party's relevant documents. On major theoretical issues, the "outline" should follow Comrade Xiaoping's thought in giving a positive exposition in order to achieve unity in thinking. On issues related to historical experiences of socialism worldwide, the "outline" should give brief formulation because what is important is to use such experiences for reference.

(4) The "outline" should reflect as much as possible the features of the theoretical abstract. The "outline," which is not a general document, should not provide evalu-

ations and arrangements nor set specific requirements for work; but should highlight the theory and ideology. The "outline," which is also different from theoretical works in general, should concentrate mainly on brief inferences and pertinent discussions centering around the basic viewpoints of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics.

(5) The "outline" should emphasize logic. Particular attention was paid to the intrinsic logic of the 100 entries of the "outline" from the overall framework to the structure of each chapter by ensuring chapter-to-chapter, chapter-to-entry, and entry-to-entry connections. Included in each chapter are related basic theoretical viewpoints, the process of their development, their great significance, and their role as a guide.

Discussing what he had learned from the compilation of the "outline," Ding Guangen said: The process of compiling the "outline" was one of deepening the study of the Volume 3 of the *Selected Works of Deng Xiaoping*, in particular, deepening the study of the Central Committee's important documents in the new era, and deepening the understanding of the scientific system of the theory on building socialism with Chinese characteristics. Through compiling the "outline" we have become more profoundly aware that Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics is a product of integrating the basic tenets of Marxism-Leninism with the actual condition of contemporary China and the features of our times; it is the inheritance and development of Mao Zedong Thought, the crystallization of the collective wisdom of all party members and people across the country, and the most valuable spiritual asset of the CPC and the Chinese people. The theory is rich in content and profound in meaning; it is permeated with the distinct aura of the times and national spirits; and it epitomizes Comrade Xiaoping's painstaking efforts and wisdom in leading reform and construction. Persisting in and developing Marxism-Leninism and Mao Zedong Thought, Comrade Xiaoping has proceeded from the actual condition in China in emancipating the mind, seeking truth from facts, and systematically summing up the country's experiences in building socialism, thereby blazing the road of socialism with Chinese characteristics. Basing himself upon the practice of socialism, Comrade Xiaoping, in a scientific, incisive, and creative way, has revealed the essence of socialism and expounded on a series of strategic ideas and important viewpoints for building, consolidating, and developing socialism in China, thereby forming the scientific system of the theory on building socialism with Chinese characteristics. Comrade Xiaoping is the chief architect of China's socialist reform, opening up, and modernization drive; and the

creator of the theory on building socialism with Chinese characteristics, which is the Marxism of contemporary China. Ding Guangen said: Comrade Xiaoping's resolute policy decisions reveal extraordinary courage and resourcefulness, and his simple language contains profound truth. His theses and policy decisions on important issues have touched the hearts of many of our comrades because they were personally involved in the issues. Studying Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics in light of China's remarkable achievements in reform, opening up, and modernization can help us broaden the horizon, straighten out the thinking, and heighten the spirit. This theory is indeed the basic guide for the victory of our cause and the powerful spiritual pillar for the Chinese nation's rejuvenation and development.

Ding Guangen said: In accordance with the guidelines of the Central Committee's circular, we must organize cadres to diligently and thoroughly study Comrade Deng Xiaoping's original works, and must incorporate the study of the "outline" into the plan for studying the theory on building socialism with Chinese characteristics. Ding Guangen emphasized: We should make a comprehensive study and have a thorough grasp of Comrade Deng Xiaoping's theory, and should apply what we have learned to guiding concrete work. We should diligently study Comrade Deng Xiaoping's strategic ideas and theoretical viewpoints; and diligently study his revolutionary courage, scientific approach, and innovating spirit in applying the Marxist stand, viewpoints, and method in studying new circumstances and solving new problems so as to enhance the consciousness and steadfastness in upholding the party's basic line, to more effectively subordinate ourselves to and serve the overall interests of the work of the whole party and the whole country, to closely rally around the party Central Committee with Comrade Jiang Zemin as the core, and to strive for building socialism with Chinese characteristics.

XINHUA Reports End of Seminar on Chen Yun

*OW1406151995 Beijing XINHUA in English
1435 GMT 14 Jun 95*

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — A three-day seminar on the life and thoughts of Chen Yun, who died on April 10 this year, closed here today.

The seminar, co-sponsored by the Party Literature Research Center of the Central Committee of the Communist Party of China (CPC) and the China Research Institute of Management Science, was attended by over 100 experts and scholars and received some 500 papers.

The participants held that promoting and strengthening research into Chen Yun's life and thoughts will be

helpful for summarizing the experiences of history, and inheriting and developing the good traditions of the Party.

It will also be significant for further promoting the development of the cause of reform and opening up and strengthening the building of the CPC, they said.

Hu Jintao Speaks at 50th Anniversary of War Event

*OW1406153695 Beijing XINHUA in English
1440 GMT 14 Jun 95*

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — Ten thousand college students sang in chorus the "Yellow River Cantata" here today to mark the 50th anniversary of the victory of the War of Resistance to Japan (1937-1945), part of the World Anti-Fascist War.

Hu Jintao, member of the Standing Committee of the Political Bureau of the Communist Party of China, delivered a speech after the Song. In their singing, Hu said, the students displayed the spirit of the Chinese nation to make unremitting efforts to become stronger, and represented the dignity of contemporary college students.

He encouraged the young people to carry on the Chinese people's revolutionary tradition and excellent virtues, so as to realize the aim of modernizing the country and rejuvenating the nation.

The chorus was made up of students from 56 universities and institutes, including Beijing and Qinghua universities.

It was the first time that such a big chorus has been organized in China.

The "Yellow River Cantata," created in the flames of the war against the Japanese aggression, once rallied millions of Chinese people to fight for the nation's independence and freedom.

Jiang Chunyun Views Provincial Flood-Control Work

*OW1406114495 Beijing XINHUA Domestic Service
in Chinese 0841 GMT 8 Jun 95*

[By reporters Ding Xiguo (0002 6932 0948) and Zhang Yulin (1728 3768 2651)]

[FBIS Translated Text] Jinan, 8 Jun (XINHUA) — From 2 to 7 June, Jiang Chunyun, CPC Central Committee Political Bureau and Secretariat member and State Council vice premier, successively inspected flood-control work on the Huang He in Henan and Shandong. He emphasized the need to adopt effective measures to

strengthen the lengthy embankment to ensure that the Huang He would safely weather the flood season.

After attending a Huang He flood-control work conference in Zhengzhou during the wheat harvest season, Jiang Chunyun led comrades in charge of relevant state departments in inspecting hazardous sections, facilities pertaining to the river-course control project and flood-detention sub-basins, and oil fields along the lengthy Huang He embankment after leaving from Huayankou, Zhengzhou. Along the way, he had a broad exchange of views with comrades from relevant cities, prefectures, and counties on flood-control issues. He fully affirmed flood-control preparations in Henan and Shandong provinces. Meanwhile, he pointed out current problems and set forth requirements. Jiang Chunyun emphatically noted: Henan and Shandong shoulder the extremely important task of ensuring that the Huang He will safely weather the flood season. They must attach great importance to this task, intensify flood-control efforts, and score a victory in this year's flood-control and disaster-relief operations. He said: The Huang He's safety has a bearing on the country's overall situation. It is very important to ensure that the Huang He will safely weather the flood season if we are to achieve smooth national economic development and social stability. Party and government leaders at all levels along the Huang He must fully recognize this point, and work in a down-to-earth manner to implement the guidelines of the first meeting held by the National General Headquarters for Flood Prevention and Drought Control this year. First, we should heighten people's awareness. Since the Huang He has not experienced heavy floods in as many years, people have generally lowered their guard. Leaders at all levels must teach cadres and people to be more aware of the need to prevent heavy floods and combat serious disasters, and to overcome their lack of vigilance and chance-taking mentality. Second, we should strengthen key hazardous sections and major parts of the embankment. We should lose no time in conducting another general inspection of hazardous sections to eliminate all hidden troubles. Third, we should form effective flood-relief teams. We should organize strong flood-relief teams that can assemble at a moment's notice and successfully carry out relief operations. Fourth, we should ensure the supply of materials and communications equipment for flood control and relief operations. Fifth, we should ensure the safety of residents in areas around shoals and in flood-detention sub-basins. A primary task in flood control is to ensure people's safety and to make effective plans for the relocation of residents from areas around shoals and from flood-detention sub-basins. Sixth, we should implement a flood-control responsibility system for leaders at all levels. All flood-control tasks should be

assigned to individuals who should make various flood-control preparations, immediately go to the forefront of relief operations in the event of floods, and organize and direct flood control and relief operations.

Accompanying Jiang Chunyun on his inspection tour were Li Changchun, Henan provincial party committee secretary; Ma Zhongchen, Huang He Flood-Prevention General Headquarters director and Henan governor; and Shandong Governor Li Chunting.

Another Tibetan Buddhist Official Detained

*HK1506072595 Hong Kong EASTERN EXPRESS
in English 15 Jun 95 p 7*

[By Didi Tatlow]

[FBIS Transcribed Text] The right-hand man of the late Panchen Lama has been detained by Chinese authorities in Tibet in the second high-level arrest aimed at ferreting out a "mole" within high religious circles.

Gyara Tsering Samdrup was detained earlier this month in Tingzi, southern Tibet, near the town of Dram on the Tibet-Nepal border.

Samdrup was the aide to the abbot of Tashilhunpo monastery, the traditional seat of the Panchen Lama, and business manager of the company set up by the late religious leader.

The abbot of Tashilhunpo, Chadrel Rinpoche, was earlier detained along with his assistant, Jing-lag, on May 18. The arrest of the two top men of Tibet Gangyen Development Corporation has alarmed the Tibet business community, which fears it heralds increased intolerance of commercial activities by native Tibetans involving foreign travel and connections.

Chinese authorities suspect senior Tibetan figures were liaising with the Dalai Lama and providing him with information with which to identify the next Panchen Lama, the second-highest spiritual post in the region.

The Dalai Lama provoked China's fury when he seized the initiative from Beijing, identifying six-year-old Gedhun Choekyi Nyima as the reincarnation of the 10th Panchen Lama.

Samdrup was vice-president of the Gangyen Corporation, a trading group established by the late Panchen Lama in 1987.

The abbot, Chadrel Rinpoche, was president of the same company.

As a top businessman and close associate of the detained abbot, Samdrup travelled frequently between Beijing, Lhasa, the monastery's seat in Shigatse town and the

Sino-Nepalese border, and frequently met non-Chinese nationals in the course of his carpet business.

Observers believe Samdrup's frequent travelling and foreign contacts made him the prime suspect to the Chinese authorities, who believe members of their own Panchen Lama search team passed on information to the Dalai Lama in India.

Tibet specialists believe that the boy identified as the next Panchen Lama was the same child Beijing had planned to identify later.

Beijing was believed to have been waiting to make the sensitive and important identification in September, to coincide with the 35th anniversary of the Tibet Autonomous Region on September 1.

Samdrup, who comes from Amdo in Eastern Tibet, or Qinghai province, was one of the dozen high-ranking Tibetan officials brought from outside the autonomous region in 1987 by the late Panchen Lama to help establish the Gangyen Corporation.

Gangyen Corp was a pioneering effort by the Lama to spearhead Tibetan trade and industry.

Chinese officials in Tibet have argued that native Tibetans are ill-suited to commercial activity.

Last November Tibet Party Secretary, Chen Kuiyuan, explained that this meant that Tibet needed more Han Chinese businessmen: "The Tibetan people learn the skills to earn money when a hinterlander (Han Chinese) makes money in Tibet," he said on Lhasa radio.

Further on Standing Committee's 14th Meeting

*OW1406144195 Beijing XINHUA in English
1426 GMT 14 Jun 95*

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — The Standing Committee of the National People's Congress, China's highest legislature, is to open its eight-day 14th meeting here June 23.

This was decided at a meeting attended by the Standing Committee chairman and vice-chairmen held at the Great Hall of the People today.

At the meeting, Cao Zhi, secretary general of the NPC Standing Committee, gave a report on the draft agenda for the forthcoming 14th meeting, a draft decision on the timetable for the election of deputies to the people's congresses at various levels and on the arrangements for studying the Chinese Constitution and laws by NPC Standing Committee members and government officials.

Xue Ju, chairman of the NPC Law Committee, gave a report on the amendments to a number of draft laws.

Participants proposed that the 14th Standing Committee meeting examine and approve the draft guarantee law, draft insurance law, draft decision on punishing criminals disrupting financial order and draft energy conservation law.

The meeting will also examine and approve the draft civil aviation law, draft medical practitioners law and draft physical culture law submitted by the State Council, and a number of reports on agreements.

Details of Dissident's Labor Camp Death Sought

*HK1506064195 Hong Kong SOUTH CHINA
MORNING POST in English 15 Jun 95 p 9*

[By Daniel Kwan]

[FBIS Transcribed Text] Beijing was yesterday urged to investigate the case of a dissident jailed in 1989 who died a month after being sent to a labour camp.

Foreign monitors had been under the impression Dr Lin Songlin — imprisoned for eight years for playing recorded foreign radio broadcasts to students in 1989 — was still serving his sentence. His friends, who placed a death notice in today's South China Morning Post, only recently found out about his 1989 death, confirmed by Chinese officials.

Lin, a physician with the No 3 Engineering Company of the Fourth Maritime Bureau in Zhanjiang, Guangdong, died in December 1989. Officials said he died of a "sudden illness" in December 1989, but did not give details. The death notice said Lin fell ill on November 30, 1989, and died two days later after "efforts to save him failed".

The Hong Kong director of Human Rights Watch/Asia, Robin Munro, said the Government should carry out an independent investigation and make public the results. Deputy director of Physicians for Human Rights Susannah Sirkin, said although it might be difficult to investigate Lin's death five years later, Beijing should make public his medical records and release information about his "illness". She said she felt disturbed and saddened by the news of Lin's death and said it was "outrageous" that it took the Government five years to reveal it.

Concerns have been raised among human rights groups about the treatment of so-called "obscure prisoners" — those not well-known to international monitors. They estimate there are thousands of such jailed activists. Foreign monitors only learned about Lin a year ago and presumed he was serving his sentence in an unknown prison. Observers said they hoped Beijing would investigate whether Lin had been abused or tortured when he was imprisoned in November 1989.

According to records obtained by rights groups a year ago, Lin was convicted in 1989 on charges of "counter-revolutionary propaganda and incitement". An appeal was lodged in October 1989 but was rejected. In November 1989, he was sent to a labour-reform facility in Zhanjiang where he died on December 2 of a "sudden illness".

The records show Lin was found guilty of taping and playing back radio broadcasts from the Voice of America and BBC in May 1989 about the student demonstrations in Beijing. After his employers discovered Lin playing tapes to his colleagues, he took them to the Leizhou Teachers' Training College, where he urged students to join the protesters in Beijing. Records said police found a subversive banner and article written by Lin at his home.

[Hong Kong SOUTH CHINA MORNING POST in English on 15 June publishes on page four a boxed announcement headed "In Memoriam." Below the heading appears the name "Dr. Lin Songlin." The announcement reads:

["Word has reached us of the passing away, by sudden illness, of Dr. Lin Songlin (2651 2646 2651) on December 2, 1989. Dr. Lin was born in 1948 and was a native of Chaoyang County, Guangdong Province. He served as a physician attached to the Number Three Engineering Company of the Fourth Maritime Bureau of the People's Republic of China in Zhangjiang City, Guangdong Province at the time of his arrest in May 1989.

["Dr. Lin was convicted in October 1989 by the Zhanjiang Intermediate People's Court of counterrevolutionary incitement and propaganda. He was sentenced to a term of eight years in prison. Deeply dissatisfied with the verdict, Dr. Lin appealed, but his appeal was rejected. He entered a reform-through-labor unit in Zhanjiang in November 1989, and, according to local judicial authorities, suddenly took ill on November 30, dying two days later after efforts to save him failed. No further information has been obtained on the illness that took Dr. Lin's life.

["Dr. Lin's crime was that he taped and played back to students at the Leizhou Teachers Training college foreign radio broadcasts of student demonstrations in Beijing, allegedly 'inciting the Leizhou students to collect donations and otherwise demonstrate their support for the students in Beijing.'

["News of this doctor's death, though now more than five years old, does not diminish the pain we feel, and we express our deepest condolences to his family."]

State Organs Improve Cadre Appraisal System

OW1406110395 Beijing XINHUA Domestic Service in Chinese 0801 GMT 8 Jun 95

[By reporter Liu Siyang (0491 1835 2254)]

[FBIS Translated Text] Beijing, 8 Jun (XINHUA) — China's annual appraisal of cadres of state administrative organs has smoothly shifted onto the track of a standardized appraisal system for state functionaries. It has become an effective measure for inciting, understanding, and supervising state functionaries and has greatly improved administrative efficiency.

Establishing and promoting an appraisal system for state functionaries constitutes an important aspect of, as well as a concrete step for, the implementation of the state functionaries system. In this connection, the Ministry of Personnel specially issued a circular requiring all those areas and departments which have not yet conducted appraisal to establish a regular appraisal system among government organizations in accordance with the requirements of the "Interim Regulations on State Functionaries" and the "Interim Provisions for the Appraisal of State Functionaries, beginning from 1994.

According to the Appraisal and Training Department of the Ministry of Personnel, in the past few months, the overwhelming majority of administrative organs seriously conducted appraisals of state functionaries' moral integrity, ability, industriousness, and achievements in their official career according to the procedures of each individual's summing up of his or her work, democratic appraisal through discussion, appraisal under the leadership of the person in charge, determination of appraisal ratings, and feedback of the results of appraisal.

To expedite the smooth progress of appraisal work, state administrative organs of the central government and local governments at all levels generally set up appraisal committees with the participation of persons in charge of party committees, governments, organizations, and personnel, discipline inspection, supervision, statistical, and auditing departments to draw up measures for the conducting of appraisals, working out appraisal details, and truly conducting fair appraisals of every state functionary. According to the analysis of a relevant personage, the work style — "It makes no difference at all whether you do your job or not, whether you do more work or less, and whether you do a good job or a bad job" — which had long existed in some organs was basically changed through the conducting of regular appraisals, which produced apparently successful results.

A total of 926 cadres of the State Statistical Bureau participated in the appraisal. Of them, 159 were given an excellent rating and 766 were given an equal-to-the-job

rating. Cadres receiving appraisals said vividly: In the past, we used to prepare statistical figures, but did not have an opportunity to "prepare statistical figures" on ourselves. Like a comprehensive physical examination, annual appraisal enables us to see our own achievements and inadequacies.

The Ministry of Labor focused its appraisal on personnel at the department and bureau levels, thereby promoting the appraisal of all the personnel of its organs. Through appraisal, it publicly commended excellent personnel, promoted a number of personnel with an excellent rating in their appraisal, and demoted or readjusted the positions and duties of 10 personnel found not equal to their jobs.

Sichuan Province resolutely awarded and punished personnel on the basis of the results of appraisal. It promoted and awarded personnel with "excellent" ratings, and sternly dealt with personnel with "not-equal-to-the-job" ratings.

It is reported that, to guarantee the quality of appraisal, administrative organs at all levels have established a system of recording the examination and approval of annual appraisals. Personnel departments of local governments shall be responsible for examining, approving, and keeping on record the annual appraisal of all local government departments at the same level as theirs, while the Ministry of Personnel shall be responsible for examining, approving, and keeping on record the annual appraisal of all departments of the State Council. According to the information on 44 departments of the State Council that the Ministry of Personnel has received so far, 3,088 personnel were given excellent ratings and 40 not-equal-to-the-job ratings in their annual appraisal. The Ministry of Personnel required all areas and departments to strictly implement the "Interim Provisions for the Appraisal of State Functionaries," to encourage and reward those who should be encouraged and rewarded, to resolutely demote those who ought to be demoted, and not to offer relevant remuneration to those units which have not conducted annual appraisal in compliance with the provisions.

New 40-Hour Work Week Not Always Efficient

*HK1506054695 Beijing CHINA DAILY in English
14 Jun 95 p 4*

[From the "To the Point" column; article by Zhang Xia: "Work More Efficiently"]

[FBIS Transcribed Text] People are abuzz with how to spend the two days off with work hours shortened to 40 a week. The media, including television and radio programmes, newspapers and magazines, have devoted

more hours or space to such topics as shopping, travel, singing and dancing.

With the new work hours system, and people having more time to rest, it is natural to talk more about entertainment and give people some suggestions for relaxation.

Turning back from the noisy discussions, however, we should also consider how to spend the five working days.

The new work hours, while giving people more time to rest, aim to improve efficiency in working. So employees should make better use of the five work days and finish work which used to demand longer time.

But in some units, people have not adopted well to the new system and the five work days are not fully used. It is not rare for some staff members to go to work half an hour later and go home half an hour earlier. Some government departments, hospitals and banks even begin to rest from Thursday afternoon.

The work hours are often occupied by endless meetings. Government officials and enterprise directors often complain they are too busy. But many are just buried in a sea of meetings.

In some units, non-production activities have consumed a large part of the 40 work hours.

Judiciary Officials Determine Peng Guilt

*HK1506064395 Hong Kong SOUTH CHINA
MORNING POST in English 15 Jun 95 p 9*

[By Daniel Kwan]

[FBIS Transcribed Text] A senior judicial official has reassured a visiting Australian politician that due process is being followed in the trial of Australian-Chinese businessman James Peng Jiandong. Vice-President of the Beijing Supreme People's Court, Liu Jiachen, told the Speaker of the Australian House of Representatives, Steve Martin, it would be up to the Judiciary to determine if Peng was guilty — not Shenzhen officials.

Mr Liu's assurance comes three months before Australia and China are to hold their second major trade fair in Shanghai. Trade Minister Bob McMullan is expected to travel to China in September for the three-day event.

The meeting between Mr Liu and Mr Martin coincided with a meeting between the Australian Foreign Minister Gareth Evans and Chinese Vice-Premier Zou Jiahua. A spokesman for Canberra's Department of Foreign Affairs and Trade said Senator Evans had also raised Peng's case in talks with Mr Zou on Tuesday. "Anyone

who has the slightest doubt of our determination can be rest assured that we will pursue the matter to the highest possible levels," the spokesman said. [sentence as published]

Peng, 36, is accused of embezzlement. He was abducted from Macao in October 1993 and taken to Shenzhen. His case has been shuffled between the court and procuratorate four times since his trial opened in November but the Shenzhen Intermediate People's Court has yet to reach a verdict.

According to Mr Martin, his "unexpected" meeting with Mr Liu was set up by National People's Congress Chairman Qiao Shi, who visited Australia this year and was repeatedly asked about Peng. The Speaker said he had the impression there was "some presumption of innocence" now, whereas in the past Peng was constantly described as a criminal. "They are saying that they're not presuming either guilt or innocence ... that even though the procurator might think he has a good prosecution case, the court will determine guilt or innocence," he said.

Mr Martin also raised Peng in his meeting with President Jiang Zemin but was apparently unable to secure a clear commitment. "Let's just say that he noted the fact that I'd raised it with him. He's a very philosophical man, isn't he?" Mr Martin said.

Crime and Punishment in PRC for 1-14 Jun **HK1506071295**

[FBIS Editorial Report] The following is a compilation of reports on crime, investigations, trials, sentencings, and other judicial-related activities in the PRC during the period 1-14 June 1995. The source and mode of processing are given in parentheses at the end of each entry.

PROVINCIAL

ANHUI

Official Punished for Illegally Using Public Expenses

Wang Yechun, head of the personnel department of Anhui Education Commission, was dismissed a few days ago for lavishly spending renminbi 280,000 yuan of public funds, of which 45,326 was spent on eating, drinking, and merry-making and also on buying 54,813.37 yuan of personal articles at public expense. Besides, from January to October 1993, Wang and his 15 subordinates illegally shared over 180,000 yuan of public funds on 63 occasions, and Wang himself embezzled 16,795 yuan. (Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 1014 GMT 4 Jun 95)

FUJIAN

Hong Kong Tourist Killed in Xiamen

The Xiamen municipal police force arrested four criminals suspected of murder. On the night of 5 June 1995 a Mr. Lam was found dead in Xiamen. The investigation revealed that while Mr. Lam was having dinner with a friend he asked for the services of three hostesses to drink with him. They then went to a karaoke lounge together. While there, one of the hostesses surnamed Xia telephoned her boyfriend a Mr. Jia and asked him to teach Mr. Lam a lesson because Mr. Lam had not given her any tips. Mr. Jia together with two other men hit and stabbed Mr. Lam who later died of the wounds. All four defendants made full confessions. The case is still pending further investigation. (Summary) (Beijing ZHONGGUO XINWEN SHE in English 0810 GMT 6 Jun 95)

GUANGDONG

Jiangmen City Procuratorial Organs Intensify Anti-Corruption Drive

This year, procuratorial organs in Jiangmen City, have intensified the anti-corruption drive and have punished a number of economic criminals. From January to April, 53 cases of embezzlement and bribery involving 61 people were put on file for investigation, including 28 criminals accused of committing extraordinarily large corruption crimes, and six of them worked in key departments. (Summary) (Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 19 May 95)

Criminal Accused of Killing Armed Policeman Three Years Ago Captured

On 15 April, Xu Weizhong, a criminal at large who killed armed policeman Mei Kaichun three years ago, was captured in Shenzhen. In the small hours of 17 October 1992, Mei Kaichun, who was on border-defense duty in Zhuhai, fought with four armed criminals sneaking in the mainland after robbing the Hang Seng Bank in Macao, during which Mei was killed. One of the murderers was arrested shortly afterwards, but Xu and the other two were at large. (Summary) (Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 19 May 95)

Shenzhen Police Shoot Drug Trafficker for Resisting Arrest

On the night of 18 May, while investigating a drug trafficking case in a hotel, public security officers of Baoan

District in Shenzhen shot and killed a drug trafficker because he resisted arrest and tried to snatch away an officer's submachine gun. (Summary) (Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 20 May 95)

Haidu District in Guangzhou Achieves Results in Narcotics Control

Public security organs in Haidu District in Guangzhou City have achieved initial results in its unified counternarcotics drive. This year so far, they have cracked 386 drug-related cases, captured 384 drug addicts and 81 drug traffickers, and seized over 600 grams of heroin, during which 11 drug addicts and drug traffickers voluntarily surrendered to the authorities. (Summary) (Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 20 May 95)

Zhanjiang City Intensifies Counternarcotics Campaign

Zhanjiang City has been intensifying its counternarcotics struggle. From March to April, the city authorities cracked a total of 40 drug-related crimes, arrested 43 drug traffickers and nearly 1,000 drug addicts, destroyed six drug-trafficking gangs, smashed 84 drug-trafficking and drug-taking dens, and seized 568 grams of heroin and a number of drug-taking tools as well as 38 firearms and 116 bullets. (Summary) (Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 20 May 95)

Drug Trafficker Arrested Again for Forging Document

Zeng Qingyuan, an ex-driver in Luohu District in Shenzhen who was sentenced by the Guangzhou City Intermediate People's Court to 11 years' imprisonment in 1989 for trafficking drugs in the previous year and was granted parole in 1994, was arrested again a few days ago for forging a provincial court notice to rehabilitate himself and to cheat the Luohu District State Land Bureau, thus reinstating his work and retroactively paying his wages and compensation totalling 60,000 yuan. Early this year, he also asked his unit to restore his party membership. After submitting the necessary information to the department responsible for discipline inspection, Zeng's case was exposed and was referred to the district public security bureau, thus resulting in Zeng's arrest. (Summary) (Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 28 May 95)

Sentences Passed on 24 Drug Addicts and Five Drug Traffickers

This morning, a counternarcotics public rally was held at a stadium in the Tianhe District in Guangzhou to pronounce judgment on 24 drug addicts and to sentence Wang Qijin and four other drug traffickers to set terms of imprisonment ranging from six to 15 years. In the past month, the district authorities cracked a total of 26 drug-trafficking cases, captured 195 drug addicts and drug traffickers, destroyed 12 drug-trafficking gangs, smashed 30 drug-taking and drug-trafficking dens, and seized a number of drugs. (Summary) (Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 29 May 95)

Guangdong To Intensify Anti-Abduction Struggle in Coming Months

At a provincial work meeting on cracking down on abduction and selling of women and children, which ended yesterday, Chen Shaoji, head of the provincial public security bureau, said that in June and July, our province has to launch a special struggle against criminal activities of abducting and selling women and children in 12 key places. He urged party committees and governments at all levels to have a stronger sense of responsibility and mission in carrying out the work. (Summary) (Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 3 Jun 95)

Discipline Inspection, Supervisory Organs Intensify Investigation

Since early this year, discipline inspection and supervisory organs in our province have been intensifying the work of investigating and handling discipline-violating and lawbreaking cases while deepening the anti-corruption struggle. According to initial statistics, from last January to April, a total of 878 discipline-violating and lawbreaking cases across the province were placed on file for investigation and prosecution, of which 643 have been closed; 430 party members having violated discipline and 368 discipline-violating targets placed under supervision were punished; and 19.47 million yuan recouped. (Summary) (Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 3 Jun 95)

Shenzhen Customs Cracks Large Tax Evasion Case

The Huidong office of the Jiulong Customs in Shenzhen recently cracked a large case involving the swindling of 340,000 yuan in reimbursed export duties when inspecting documents signed by a foreign-invested garment factory. Last June, the factory resold, on three occasions, to an export-import company in the Huicheng

District 2 million yuan's worth of garment accessories and other goods which duties levied on had been reimbursed. However, Customs officers investigating the case later could not find any of the goods in the company. Further investigation revealed that a former employee of the garment factory responsible for customs declaration colluded with the export-import company in swindling 340,000 yuan of reimbursed export duties by pretending to resell the goods. (Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 1150 GMT 6 Jun 95)

Police in Guangdong Arrest Armed Robbery Gang

The police in Longmen County caught Dong Huochu, the head of a big armed robbery gang in the Jinxing Hotel, Pingling Town of Longmen. Six criminals responsible for two big armed robberies in Longmen have been captured. On 6 January of this year, six robbers with small-bore rifles stopped and hijacked a bus, the passengers and attendants were robbed of their possessions and RMB20,000. Again on 18 January passengers on a bus were robbed by six armed "passengers". Money and possessions taken amounted to over RMB45,000. During investigation of the robberies police arrested Liao Haitang and Dong Huochu, both wanted criminals. During interrogation Liao admitted carrying out the two robberies with Dong Huochu, Lai Zhenbiao, Su Guomin, Wang Guiqiao and Wang Rongda. (Summary) (Beijing ZHONGGUO XINWEN SHE in English 1155 GMT 9 Jun 95)

Shenzhen Cracks Down on Corruption

According to the latest statistics published by the People's Procuratorate of the City of Shenzhen, it has investigated 606 cases involving economic crimes between 1991 and 1994, involving a total of 718 suspects. Some 473 of the 606 cases involved high-ranking government officials and substantial amounts of money, representing a rise of 36.2 percent over the corresponding figure recorded from 1982 to 1990. 560 people were involved. Some 47 cases involved money amounting to between 1 million to 10 million yuan, while 10 cases involved over 10 million yuan. A total of 66 officials with the rankings of department head or above were investigated between 1991 and 1994. As many as 25 officials with the rankings of department head or above were investigated in 1994. From 1991 to 1994 the People's Procuratorate of Shenzhen found that officials received bribes of 280 million yuan, HK\$34 million and US\$1.7 million, either in cash or in the form of gifts. A total of 390 suspects were sent to court. (Summary) (Hong Kong HONGKONG STANDARD in English 7 Jun 95 p1)

HAIKOU

Struggle Against Sex-Related Vices, Gambling, Drug-Related Crimes

In order to create a fine social environment for foreign investment and tourism, the party committee and government of Sanya City in Hainan Province have launched a special struggle against sex-related vices, gambling, and drug-related crimes. Since statistics showed that among criminals in the city, 62 percent came from other parts of the country, efforts were made to check the number and identity of the non-native population and to establish a registration system for them. Also, the city party committee's legal and judicial commission has reorganized over 50 grass-roots public order units, has set up dozens of police-reporting points, and has enforced round-the-clock patrol duty. (Summary) (Beijing RENMIN RIBAO in Chinese 6 Jun 95 p 3)

JIANGXI

Five Principal Culprits of a Masked-Robbers Gang Executed

On the morning of 3 June, Nanchang City Intermediate People's Court called a rally at the provincial military district auditorium to pronounce the execution of five principal culprits of a masked-robbers gang—Chen Guohong, Teng Haiyan, Huang Yongsheng, Zhang Qun, and Wan Yong. Four others whose execution orders were also pronounced were robbers and murderers Zhu Nanchang and Bao Haidong; burglar Lai Nansheng; and robber and burglar Wu Shaohua. All these criminals were executed after the rally. (Summary) (Nanchang JIANGXI RIBAO in Chinese 4 Jun 95 p 1)

NINGXIA

Ningxia To Continue Its Special Counternarcotic Campaign

On 17 May, the regional party committee's legal and judicial commission and the regional leading group on the counternarcotic work, held a regional telephone conference and decided to launch a three month-long special counternarcotic struggle across the region. In recent years, the counternarcotic work in Ningxia has been successful. So far, a total of 931 drug-related criminal cases have been cracked, 1050 drug-related criminals have been captured, and 62.507 kilograms of heroin has been seized. Moreover, five drug-rehabilitation centers have opened to treat 597 drug addicts. However, there are quite a number of Ningxia people still perpetrating drug-trafficking crimes in other parts of the country. So far, a total of 487 Ningxia drug-traffickers have been

captured by other provinces and regions and 88 of them have been sentenced to death. (Summary) (Yinchuan NINGXIA RIBAO in Chinese 22 May 95 p 1)

SICHUAN

Murderer of Taiwan Compatriot Executed

Wang Jinsheng, who murdered Taiwan compatriot Zhang Minping in Chongqing on 19 August 1994, was sentenced to death by the Chongqing City Intermediate People's Court and was executed yesterday. Wang, the manager of a gas-burning instrument trading company in Xian City went to Chongqing on business, met a local young woman surnamed Chen and they decided to live together. In mid-July last year, Chen met Zhang Minping, an older Taiwan compatriot, and slept with him, at which Wang was very angry. On the night of 19 August last year, Wang went to Zhang's residence and stabbed the latter to death and then surrendered to the police. (Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 1106 GMT 3 Jun 95)

Eighteen Criminals Executed for Committing Serious Crimes

On the morning of 21 June, a public rally was held in Chongqing City to sentence 18 criminals who committed serious crimes to death while depriving them of political rights for life. The criminals, aged from 21 to 69, were escorted to the execution grounds on the same day. Zhou Hanyun, 69 year old murderer, stabbed to death two men against whom he had a grievance, with a home-made knife in a teahouse in Chongqing on the morning of 25 July last year. (Summary) (Chengdu SICHUAN RIBAO in Chinese 4 Jun 95 p 1)

ZHEJIANG

Eight Economic Criminals in Wenzhou City Punished

A public rally was held in Wenzhou City a few days ago to pronounce judgment on eight graft-takers and embezzlers. Wang Kehua, former vice president of the Wenzhou branch of the Bank of Agriculture, was sentenced to three years' imprisonment for accepting 32,000 yuan in bribes from a man having contracted the bank's computerization project, all the illicit money was confiscated. Zhang Xiuse, former deputy chief of the external economic liaison office of the Zhejiang Provincial Foreign Trade and Economic Cooperation Committee, was sentenced to three years' imprisonment with a three-year reprieve for accepting 20,000 yuan in bribes while in the process of checking and approving labor-export cases, all the illicit money was confiscated. Zheng Jianzhong, former policeman in the vehicle

administration office of the city public security bureau, was sentenced to 14 years' imprisonment for accepting 109,300 yuan in bribes for helping people get their driving licenses from 1992 to 1994, all the illicit money was confiscated. Yu Chenshou, former director of Wenzhou port shipping agency, was sentenced to 20 years' imprisonment for embezzling over 130,000 yuan of public funds, accepting 55,800 yuan in bribes, lavishing 870,000 yuan of public money, and having 250,000 yuan of unaccounted wealth, all the illicit money was confiscated. Tang Zhengrong, former steel products salesman of a branch office of the city metal products corporation, was sentenced to death with a two-year reprieve for misappropriating 900,000 yuan. Cai Jie, former policeman of Cangnan public security bureau, was sentenced to 15 years' imprisonment for embezzling and gambling away 180,000 yuan of fines and seized property. In addition, two other culprits Ma Weihai and Huang Jianping were sentenced to set terms of imprisonment for accepting bribes. (Summary) (Beijing ZHONGGUO XINWEN SHE in Chinese 0944 GMT 3 Jun 95)

Science & Technology

Nuclear Plant Environmental Report To Be Published

HK1506053295 Beijing CHINA DAILY in English
15 Jun 95 p 2

[Article by Xie Liangjun: "State Plans To Publish Nuke Report Every Year"]

[FBIS Transcribed Text] The Chinese Government plans to regularly publish the results of environmental studies on the area around the country's two nuclear power plants (NPP) in Qinshan of Zhejiang Province and Daya Bay of Guangdong Province as a means of reducing public fears about such installations.

Zhao Yaming, an official with the National Environment Protection Agency (Nepa), told China Daily yesterday that NPP environmental monitoring and analysis results will be publicized each year. For the first time they will be listed in a chapter on China's annual environment report.

Zhao also said the experts from Nepa will monitor and study land radiative levels daily.

Area residents, water supplies and soil samples also will be examined for their level of radio-activity.

Zhao said this move aims to supervise nuclear power plants in their protection of the adjacent environment and improve nuclear power plants' public image.

Such monitoring is expected to enforce the proper discharging of plant waste. It can also detect any impacts on the environment.

China is strapped by a chronic power shortage due to rapid economic growth and the improvement of people's living standards. The government intends to develop more nuclear power plants in the future.

But this strategy is being challenged by the growing public fear that nuclear power plants are environmentally dangerous.

Zhao said that environmental monitoring will inform the public as to whether the nuclear power plants are operating safely.

Environmental scientists and experts began monitoring and analyzing the environments near the Qinshan Nuclear Power Plant as soon as it went into trial operation in 1991.

A recent Nepa and China National Nuclear Corporation (CNNC) study has shown nuclear reactors at Qinshan and Daya Bay have not harmed the environment.

To succeed in the push for nuclear power development, it is necessary to improve the safety of such installations and increase public awareness about their operation to allay people's fears.

China's nuclear power generating capacity stands at 2.1 million kilowatts — about one per cent of the country's total generating capacity.

Inner Mongolian Opinion on Science, Technology

SK1406132695 Hohhot NEIMENGGU RIBAO
in Chinese 16 May 95 p 1

[Implementation opinion on strengthening the popularization of science and technology issued by the Inner Mongolia autonomous regional party committee and the regional people's government on 12 May]

[FBIS Translated Text] To actually implement the guidelines of the "several opinions of the CPC Central Committee and the State Council on strengthening the popularization of science and technology" (Document No. 11 in 1994 issued by the central authorities) and to further strengthen and improve the region's work on popularizing science and technology, we specially set forth the specific implementation opinions as follows.

1. Fully Understand the Importance and Urgency of the Work of Popularizing Science and Technology and Enhance the Sense of

Responsibility and the Sense of Mission in Popularizing Science and Technology

Along with the rapid strides in science and technology, the role of science and technology in hastening social development is becoming increasingly remarkable, and the role of laborers' quality in enhancing labor productivity is becoming stronger day by day. Since the founding of the PRC, the region's undertakings on popularizing science and technology have developed by leaps and bounds, and the work on popularizing science and technology has also witnessed great achievements. However, the problems existing in this aspect must draw our high attention. Over the past few years in particular, science and technology popularization work has become withered to some extent, and the incompatibility between popularization of scientific and general knowledge and the development of the economy, science and technology, and society has become more conspicuous gradually. Some feudal and superstitious activities have occurred despite repeated prohibitions. Many anti-scientific and false scientific activities that deceive the broad masses of the people with the banner of science have occurred now and then. The existence of the above-mentioned ignorant and backward phenomena has hampered the sound development of the socialist material civilization and spiritual civilization. In face of the new problems in the new situation, all levels of party and government leaders and all pertinent departments should deeply study and comprehend the guidelines of Document No. 11 of 1994 issued by the central authorities in close combination with realities, should fully understand that science and technology constitute the primary productive forces as well as the most essential force of transformation in promoting economic and social development, and should fully understand that orienting the people to the scientific way of production and life by universalizing scientific and cultural education is the key link to shift economic construction to the orbit of depending on scientific and technological progress and improving the quality of laborers, as well as the key link to attain the region's economic development goals. In ideology and understanding, we should further enhance the sense of responsibility and the sense of mission in popularizing science and technology. In practical work, we should truly popularize science and technology in an assiduous and persevering manner to continuously expedite the sound and smooth development of the building of "two civilizations."

2. Strengthen and Improve the Leadership Over the Science and Technology Popularization Work

and Make Great Efforts To Create a New Situation in This Work

To meet the new demands set by the development of the current situation on science and technology popularization work, and to better gear the science and technology popularization work to the demands of reform, opening up, and modernization, party committees and governments at all levels should truly list the science and technology popularization work as a major item on their daily agenda, further pay attention to and strengthen the leadership over this work, and bring the work into line with the plans on economic, scientific and technological, and social development. With responsible party and government leaders as commanders, headed by the regional scientific and technological commission, the region should devote major efforts to drawing up plans for the work on popularizing science and technology, should give different guidance based on different situations, should conduct supervision and examination, and should give guidance to this work according to policies. At the same time, in reference to the state mode of leadership over science and technology popularization work, we should introduce the system of joint conference with the participation of such pertinent departments and groups as scientific and technological associations, departments of education, propaganda, organization, personnel affairs, finance, broadcasting and television, press, publication, culture, and tourism, Communist Youth League [CYL] organizations, women's federations, and trade unions under the guidance of the regional scientific and technological commission. With this joint conference system, we can fully mobilize the positive factors of all aspects, conduct planning and coordination in a unified manner, and realistically and effectively organize and conduct the work of popularizing science and technology throughout the region.

The regional scientific and technological association as well as other mass groups and academic organizations should continuously exploit their initiative and creativity to launch regular and mass activities on popularizing science and technology. As demanded by the regional party committee and the regional government, all leagues and cities as well as all banners and counties should truly bring the science and technology popularization work into line with the overall plans on invigorating leagues (cities) and counties through science and technology and should conscientiously and responsively grasp the specific implementation work in close coordination with various fields, under the guidance of league, city, banner, and county departments in charge of scientific and technological work. All levels of scientific and technological associations and all other mass groups and academic organizations in the region should

also continuously exploit their functional role to actively and positively organize and launch the regular and mass activities on popularizing science and technology.

3. Increase the Input in Science and Technology Popularization Work and Ensure the Sustained and Smooth Progress of This Work

As a social and public welfare undertaking, the science and technology popularization work needs appropriate input of financial, human, and material resources. All levels of governments and all pertinent departments should give sustained and stable support for this work in financial allocations. Beginning this year, the region will allocate a fixed amount of special funds every year to develop the science and technology popularization undertaking, and the amount of this fund will increase on a yearly basis along with the increase in financial revenues. All localities and departments should also invest a fixed amount of funds in this undertaking every year, with the amount increasing on a yearly basis as financial revenues go up, in order to ensure the smooth progress of the science and technology popularization work. Enterprises, social groups, and other units as well as individuals should be energetically encouraged to offer financial assistance to develop this undertaking and to initiate the society serving public welfare organs and installations devoted to popularizing science and technology. Together with scientific and technological associations and other related departments, scientific and technological commissions at all levels should rapidly initiate and raise the regional science and technology popularization fund, including the fund for youths and juveniles, the fund for rural and pastoral areas, and the award fund. Through great efforts, we should gradually establish an investment system whereby all aspects in society support the science and technology popularization work through diverse channels.

Governments at all levels should attach high importance to building science and technology popularization institutions by bringing it into line with the overall plan on urban construction. Existing science and technology popularization institutions should be rebuilt and further utilized in order to give full play to their due efficiency and role.

4. Effective Measures Should be Adopted To Build Capable Ranks of Specialized Popularizers of Science and Technology

All levels of scientific and technological commissions should build well their existing ranks of popularizers of science and technology in coordination with scientific and technological associations and other pertinent departments. In popularizing science and technology, we

should persist in the principle on scientific and technological structural reform known as "stabilizing basic research and decontrolling technology development organs, public welfare-oriented scientific research institutes, and scientific and technological service organs." Meanwhile, we should gradually establish a new mechanism characterized by openness, competition, and exchange of talents, and should gradually build up capable, effective, and vigorous ranks of specialized science popularizers including popular science writers, societies and associations of all types, and the socialized science and technology serving units. Governments at all levels should equally treat and give due recognition to the labor results in science popularization work and to other scientific and technological research results. In addition, full attention and necessary favor should be given to the practical affairs of science and technology popularizers such as their jobs, living conditions, further studies, awards, and titles. The region will set up special awards for outstanding science and technology popularizers to commend and award those who have made outstanding contributions to popularizing science and technology and those who are meritorious in supporting the science popularization work.

Scientific and technological workers should be encouraged to participate in or initiate popular science organizations run by the people to help popularize science and technology. Popular science organizations and organs at the grass-roots level should positively render diverse forms of paid service to society in line with the demands of the socialist market. The popular science work at or below the banner or county level should be integrated with the work on spreading science and technology. We should fully mobilize the initiative and creativity of grass-roots popular science organizations, such as science and technology disseminating and spreading stations, and of scientific and technological personnel. Through various realistic activities and fruitful practical work, we should educate the broad masses of the people to study and believe in science and to become prosperous through science, technology, and diligence. We should give full play to the role of the specialized technology research society of peasants and herdsmen and other people-run organizations to organically integrate the building of the popular science organizations system with the building of the socialized service system and integrate the elimination of poverty with the elimination of ignorance. In the process of reforming the scientific and technological system, we should pay attention to ensuring the normal progress of science popularization work in personnel and funds and should further perfect, stabilize, and strengthen the ranks of scientific and technological workers and the ranks of socialized service at the grass-roots level. Through resolute and unswerv-

ing efforts, we should create an environment and condition for thoroughly eliminating ignorance, poverty, and backwardness.

5. Take Full Advantage of Mass Media To Popularize and Propagate Science and Technology Firmly and Unswervingly

The work on propagating popular science should be considered an important part of the propaganda and ideological work. Propaganda departments and press units should formulate appropriate plans, should regard the propaganda of popular science as the priorities of the current scientific and technological propaganda work, and should depend on related fronts to energetically propagate popular science through various lively and vivid forms beloved by the masses in order to establish a fairly strong propaganda momentum and public opinion atmosphere of "studying, loving, stressing, and using science." At the same time, the second week in April every year should be designated as the week to propagate popular science throughout the region. During this week, under the leadership of party committees and governments at all levels, guided by science popularization departments at all levels, in close coordination with all pertinent fields, the region should concentrate time and energy on organizing and launching science popularizing activities on various subjects in order to socialize and regularize the science popularization work with the participation of the masses. Party newspapers and periodicals at all levels as well as the media and propaganda fronts of all mass organizations should gradually open special columns on popular science. Broadcasting and television stations of the region and of various leagues and cities should further expand and strengthen their popular science propaganda parks in the course of running well their existing scientific and technological programs. These stations should also use the forms beloved by the broad masses of the people to propagate the scientific ideas, knowledge, methods, and way of life that are suitable for modern civilization. Measures should be adopted to give financial aids on a priority basis to the creation and distribution of popular science newspapers, periodicals, books as well as audio and video works in rural and pastoral areas. For public welfare advertisements of various kinds, we should increase their contents of propagating popular science. We should give full scope to the role of modernized mass media to create a public opinion environment conducive to popularizing science and technology.

6. Strictly Execute the System on Examining Scientific and Technological Contents of Press Publications

Propaganda, cultural, and press publication departments at all levels should further strengthen the management and examination of scientific and technological contents of press publications and mass media items. These departments should also strictly forbid the reports on feudal and superstitious items or the reports on novelty items that have no scientific conclusions and that run counter to scientific principles and spirit.

The contents or activities that are difficult to be classified for the time being should also be controlled strictly. The journalist units and individuals that have caused unfavorable influence should be punished; and those who have violated the laws should be sanctioned according to law. Various cultural and tourist departments should apply administrative and legal means to clear up and straighten out existing caves and temples of gods and spirits in the near future. Those who apply feudal and superstitious practices to indulge in illegal and criminal activities should be dealt with according to laws, and reactionary secret societies should be resolutely banned according to laws. While guiding the masses to launch various types of popular science activities, leading cadres at all levels, as well as all Communist Party members and CYL members, should set examples in opposing and resisting the inroads of feudal and superstitious ideas of all sorts and not be allowed to participate in, encourage, or ignore all kinds of feudal and superstitious activities and anti-scientific activities. All party and government cadres and all Communist Party and CYL members are not allowed to prostrate themselves before the image of gods and spirits, to practice divination, and to hold extravagant funerals so they can play an exemplary and leading role in fostering a civilized, progressive, and scientific social atmosphere.

7. Purposefully Grasp the Work on Popularizing Scientific Knowledge, Methods, and Ideas

Based on the region's practical situation, the current science popularization work should be focused on rural and pastoral areas as well as poverty-stricken and backward areas. By combining the popularization with the training of technology, we should spread and universalize advanced applicable technologies among the vast numbers of peasants and herdsmen. We should train a group of persons who take the lead in applying science and technology, use practical results of science and technology to educate the vast numbers of peasants and herdsmen, enable them to embrace the modern idea and consciousness of "studying, loving, stressing, and using science," and make them more capable of resisting

the inroads of feudal and superstitious ideas. All levels and all localities should cooperate with educational departments and schools to provide, as far as possible, varied and colorful science popularization activities for youths and juveniles in line with realities. In the course of passing on scientific and technological knowledge, we should train numerous youths and juveniles to think scientifically and help them embrace a correct outlook on science, on life, and on the world. Toward leading cadres at all levels, we should strengthen the training in modern scientific and technological knowledge to enhance their scientific and technological consciousness and their ability to comprehend and apply science and technology, to help them continuously expand the sphere of knowledge and understand the developments of science and technology, and to train their ability of observing, handling, and resolving problems with a scientific viewpoint and scientific thinking methods so as to accelerate the process of scientific and democratic policymaking. When evaluating the performances of cadres, party committees and governments at all levels should primarily see their performances in studying scientific and technological knowledge and their ability of using scientific methods to resolve practical problems.

The work on popularizing science and technology is a fundamental and strategic work to promote the building of socialist material and spiritual civilization. Party committees and governments at all levels should offer their own specific implementation opinions as early as possible in line with their practical situation and their economic and social development conditions with a view to achieving success in popularizing science and technology.

Military & Public Security

Jilin Holds Meeting on National Defense Education
SK1406144995 Changchun JILIN RIBAO in Chinese
26 May 95 p 1

[FBIS Translated Text] After a two-day session, the provincial meeting on specially exchanging experiences gained in national defense education of the nation, which was aimed at enhancing the special function of national defense education and at promoting social stability, concluded in Changchun on 25 May. During the meeting, the representatives of 16 units and individuals outstanding in national defense education on various fronts throughout the province exchanged their experiences and paid a visit to Jilin Engineering College and No.1 Auto Group Company whose work in national defense education had constantly ranked them in the front row of the country. Attending the meeting were Gao Yan, governor of the province; Zhang

Yueqi, deputy secretary of the provincial party committee; Liu Changfu, member of the provincial party standing committee and commander of the provincial military district; Yan Haipeng, political commissar of the provincial military district; Liang Shulin, deputy political commissar of the provincial military district; staffers from the provincial people's congress, the propaganda department under the provincial party committee, and the provincial leading group in charge of national defense education; as well as relevant leading personnel from party committees of various cities and autonomous prefecture and from various military subdistricts.

Under the new historic conditions, units from top to bottom throughout the province have regarded the core of patriotism as a contacting point to the issue of how to enhance national defense education of the nation to effectively deal with many social contradictions. They have regarded displaying of patriotic banner as the main melody of national defense education and have applied patriotism to cohering people's feeling, to unifying understanding, and to laying an ideological foundation for social stability. In 1994, the province as a whole had 27 localities named as provincial level patriotic education bases and the number of cities and counties outstanding in this education totalled more than 400. Various localities have organized or convened in a planned manner their large report meetings on experiences gained in national defense education each year and conducted patriotic education among leading cadres. Throughout the province, 95 percent of universities, middle schools, and primary schools have oriented the patriotic education into their teaching plan. The province as a whole has successively established 720 bases of training dual purpose personnel, which have successively trained more than 45,000 dual purpose personnel. Thirty-five higher educational institutions and scientific research units of Changchun have geared themselves to the People's Liberation Army [PLA] units and have opened training classes of high science and technology in several scores of categories, which have trained more than 1,000 talented personnel of high science and technology for the PLA units and helped the PLA units open more than 30 scientific and technological projects. Over the past few years, 100,000 militiamen and the soldiers of reserve forces of various localities across the province have established more than 2,600 "soldier-run" enterprises that have realized 350 million yuan of output value. While deeply conducting education, various localities across the province never forget to inherit and develop the fine tradition of the Army, to vigorously upgrade the quality of the people as a whole, and to train the "four haves" as new successors for social stability.

Governor Gao Yan fully acknowledged the importance of the meeting. He stated: The meeting was held in a timely manner and was very necessary. Reports made at the meeting were well delivered and experiences involved in the reports were explained thoroughly. The on-the-spot experiences were looked through realistically. The meeting will play an active and promoting role in implementing the "20 Character" principle. Currently, we should not only boost economic construction, the construction of spiritual civilization, and party building; but also boost national defense education. He urged various localities across the province to earnestly implement the spirit of the meeting, to conduct education and carry out activities and inspection each year, to grasp the work regularly and unswervingly, and to score results in the work to improve national defense education in the province to a new level. Zhang Yueqi, deputy secretary of the provincial party committee and director of the provincial leading group in charge of national defense education, also delivered a speech at the meeting in which he summarized the achievements scored in the work done by the province in national defense education and also put forward new work demands for the next step.

Shanghai Public Security Bureau Holds Meeting

OW1406142595 *Shanghai People's Radio Network*
in Mandarin 2300 GMT 8 Jun 95

[From the "990 Morning News" program]

[FBIS Translated Text] To crack down on serious crimes, to wipe out such abominable social phenomena as the six vices [prostitution, pornography, abduction and trading of women and children, drug trafficking, gambling, and profiteering from prostitution], and to maintain public order in the summer, the Shanghai Municipal Public Security Bureau decided to launch a summer campaign which will focus mainly on cracking down on hooligans, wiping out the six vices, and [words indistinct], in Shanghai from June to September. The Shanghai Municipal Public Security Bureau held a meeting yesterday [8 June] to draw up a specific plan for launching the summer campaign. Zhu Daren, standing committee member of the Shanghai Municipal Party Committee and director of the SMPBS, spoke at the meeting. The summer campaign was planned on the basis of the actual conditions of Shanghai's current public order.

General**MOFTEC Minister Inspects Sichuan Enterprises***HK1506105495 Chengdu Sichuan People's Radio Network in Mandarin 1100 GMT 8 Jun 95*

[FBIS Translated Text] Accompanied by provincial Vice Governor Diao Jinxiang and Deyang City Vice Mayors Li Feng and Lu Shifen, Wu Yi, minister of foreign trade and economic cooperation [MOFTEC], and her entourage inspected Deyang City's Dongfang Electric Machinery Joint-Stock Company Ltd. and Deyang City Second Heavy Machinery Plant on 6 June.

After being briefed by leaders of Dongfang Electric Machinery Joint-Stock Company Ltd. on production and products export, Minister Wu Yi said: Dongfang Electric Machinery Joint-Stock Company Ltd. has scored phenomenal achievements. She spoke affirmatively of opinions put forth by Dongfang Electric Machinery Joint-Stock Company Ltd. with regard to state trademark inspection of export products. She noted: We are now confronted with the problem that many people like to use only foreign products. In view of this situation, enterprises should work hard to improve product quality and lower product prices so as to stay competitive on the market. We shall also encourage enterprises to compete with one another on an equal footing.

Qiao Shi Inspects Zhejiang Province*OW1406125095 Beijing XINHUA Domestic Service in Chinese 1114 GMT 7 Jun 95*

[By XINHUA reporter Pang Weiliang (1690 0251 5326) and ZHEJIANG RIBAO reporter Yang Xinyuan (2709 2450 0337)]

[FBIS Translated Text] Hangzhou, 7 Jun (XINHUA) — Qiao Shi, member of the CPC Central Committee Political Bureau Standing Committee and chairman of the National People's Congress [NPC] Standing Committee, inspected Zhejiang recently. He stressed during the inspection that to maintain Zhejiang's development momentum and boost its economic construction, Zhejiang must continue to seize current opportunities to deepen reforms, open wider to the outside world, build a stronger foundation of agricultural production, and improve the quality of its economic growth.

From 2 through 6 June, Qiao Shi, in the company of Li Zemin, secretary of the Zhejiang Provincial Party Committee and chairman of the provincial people's congress standing committee; and Wan Xueyuan, governor of Zhejiang, inspected the textile dyeing and printing company and the Xiehe Ceramic Factory run by the Xiaoshan Hongshan Farm; the Pukang Biotechnology Company under the Zhejiang Medical College; a sili-

cate material laboratory, a key state project operated by the Zhejiang University; the China Rice Research Institute; the Zhejiang Hydroelectric Power Station; and the Zhejiang Museum. He also heard briefings given by the provincial party committee, the provincial people's congress, and the provincial people's government.

Qiao Shi said: As result of the efforts exerted by the vast number of cadres and people in Zhejiang in surmounting difficulties, Zhejiang has been quite successful in industrial and agricultural development and has achieved remarkable successes in economic construction and other projects. While the current international situation is by and large favorable to China, there are also some problems. To maintain the momentum of Zhejiang's fast and healthy economic development, Zhejiang must continue to seize the current opportunities, earnestly carry out the central authorities' general and specific policies and the provincial party committee's plan in light of Zhejiang's actual situation, and make great efforts to achieve even greater efficiency.

Qiao Shi was glad to learn that the situation of Zhejiang's agricultural production in general, and early rice and other crops in particular, has been satisfactory because of province-wide efforts last year to stabilize the province's agricultural development and get a bumper agricultural harvest through combating natural disasters. Qiao Shi said: Persistent efforts must be made to maintain the momentum of agricultural production. This is necessitated by China's basic national situation. Issues concerning agricultural development should be more thoroughly studied so that they can be resolved more effectively. Whether it is a good year or a lean year, efforts to ensure grain production must not be relaxed. We must protect the peasants' enthusiasm for producing grain. While developing other industries, we should see to it that they are not carried out on grain acreage or that the least possible acreage is used. Our efforts to improve the conditions for agricultural production should also be persistent, and irrigation and farmland capital construction projects should be launched every year. Qiao Shi added: Zhejiang has fairly good conditions for economic diversification. The province's hilly areas and water bodies are all resources that can be exploited to generate wealth. Qiao Shi stressed: Zhejiang should intensify its experimental development projects. To produce more famous and quality products, you should, on the basis of the local character and traditions, make efforts to improve seed strains and production technology and improve the quality of agricultural production. Agricultural research should be closely integrated with agricultural production. Agricultural research should give priority to applications, and achievements obtained from agricultural research should be promptly propagated.

Speaking on village and town enterprises, Qiao Shi said: Zhejiang had a head start in developing village and town enterprises. The development has been fast, the success achieved has been fairly significant, and the momentum of the current development has been quite strong. The provincial party committee's plan to guide these enterprises to expand in size, upgrade their technology, improve efficiency, and improve their overall quality is a practical one. He added: Zhejiang has the conditions for building more small towns and small industrial zones. I hope your province can accumulate more experience and blaze a trail in this regard.

Qiao Shi stressed: As the socialist market economy develops, enterprises cannot possibly subsist and develop unless they keep on improving their operations through reforms. Enterprises should act with greater daring in carrying out reforms. If conditions permit, they should make bigger strides in this area. They should have the courage to take some risks and move forward courageously. Zhejiang's guidance and measures for restructuring enterprises have been quite effective and specific, and you have gained some useful experience in this area. While continuing with your experiment, you should, in conjunction with your actual situation, propagate your experience that has been proven to be proper and effective. In a big country such as China, the situations our enterprises encounter differ greatly. There cannot possibly be only one system for operating modern businesses. Thus, our enterprises should proceed with their work by following the general requirements for the socialist market economy and by emulating foreign countries' experience and our own. We can only gradually establish modern business systems compatible with China's situation and requirements of the socialist market economy by counting on the masses' wisdom and by constantly learning from work. There is no better way.

On environmental protection, Qiao Shi stressed: Everyone in society must heighten his or her awareness of environmental protection. We should have foresight and overall planning and take practical steps to intensify environmental protection. All enterprises, whether operated by the state or by villages or towns, must do something to reduce and prevent pollution. Areas which have already caused pollution, especially serious pollution, must be determined to act and think of some way to control pollution. There shall be no delay.

Showing great concern for scientific, technological, and educational development, Qiao Shi said: Guided by Comrade Deng Xiaoping's thinking that "science and technology are the primary productive forces," we should earnestly implement the strategy of rejuvenating the country through science and education. We should make great efforts to restructure the management of sci-

ence and technology. While striving to promote scientific research and produce more results, we should make great efforts to develop high-technology industries so as to expedite economic development. He stressed: Education and training of useful personnel are essential for economic, scientific, and technological development. While visiting the Zhejiang University, Qiao Shi encouraged its teachers and students to work hard to turn their university into a top-rate university in the world and to cultivate more scientists and technicians for China's modernization drive.

During the inspection, Qiao Shi also underscored the need to promote socialist ethics and the construction of democratic and legal systems. He said we should do our work even more successfully to keep pace with the needs of the new situation.

Inflation Rate Slows Down in May

*OW1506090795 Beijing XINHUA in English
0730 GMT 15 Jun 95*

[FBIS Transcribed Text] Beijing, June 15 (XINHUA) — China's market prices remained generally stable with price increases slowing down in May, a report released today by the State Statistics Bureau, said.

The monthly price report said that the national retail price index and the consumer price index rose 17.6 percent and 20.3 percent respectively over the same month's last year and that both indices registered a drop of 0.4 percentage points from April.

The report said that the national retail price and the consumer price index edged up from April's figure by 0.1 percent and 0.2 percent respectively.

Urban prices increased less than rural prices in May, the report said. The urban retail price index ascended 16.1 percent on a year-on-year basis and the price movements in the 35 major and medium-sized cities moved closer to the goal of inflation control. However, the rural retail price index still hovers at 19.7 percent in May.

The retail price index for the 35 cities remained roughly the same as April, rising 15.1 percent over May of 1994, while the consumer price index rose 0.2 percent over April of this year and 19.7 percent over May of last year.

The report said that food prices fell steadily in May. The price of meat, poultry and vegetables continued its dip, with grain prices being basically the same as last month. Eggs were a bit more expensive than last month.

In addition, the report said, consumer goods sold at a higher price in May, helped by the rising cost of raw materials. Prices of clothing, machinery, and

electronic products showed a clear rise but prices for daily goods and for cultural and sports use remained stable. Appliances' prices continued to drop.

The report said that in general, the inflation-control work proceeded with different progress in May. For the 35 major and medium-sized cities, the highest retail price index rise was 21.1 percent for a city while the lowest 10.7 percent.

"Certain positive results have been achieved since the beginning of the year, but it is still some distance away from this year's macro-economic control target," it said.

The report advised the government to continue with its tight-credit policy, to control price increases for raw materials, to improve income distribution and circulation system, as well as to pay more attention to vegetable and grain production.

State Council Work Groups To Inspect Prices

OW1406142295 Beijing XINHUA Domestic Service
in Chinese 1211 GMT 9 Jun 95

[By reporter Li Anding (2621 1344 1353)]

[FBIS Translated Text] Beijing, 9 Jun (XINHUA) — To implement its guidelines on inspecting the nationwide implementation of price control measures in the near future, the State Council has formed six special inspection work groups comprising seven departments, which will soon conduct key inspections in 17 provinces and municipalities and relevant departments of the State Council. Gan Ziyu, vice minister in charge of the State Planning Commission, spoke at a mobilization meeting of the work groups in Beijing today.

At the meeting, Gan Ziyu pointed out: With the joint efforts of governments at all levels and relevant departments and the gradual implementation of various price control measures, the momentum and margin of price hikes has slowed down and dropped month by month nationwide since the end of last year. However, the current overall price level still moves in the high end; the market circulation basically has not improved; the situation of wanton price hikes and wanton fee collection is still grim; and price control measures formulated by central authorities have been inadequately implemented in some localities. These situations show that the task for inflation control is formidable and complex. To achieve this year's objective in price control, a lot of work still needs to be done.

Gan Ziyu stressed: A series of price control measures, formulated by the party Central Committee and the State Council, will not only play a fundamental role in bringing current inflation under control, but also provide important guidance for improving and perfecting the

regulation and management of prices. These policies must be earnestly implemented in all localities and departments.

Gan Ziyu urged: The State Council inspection work groups should supervise and promote down-to-earth implementation of various price control measures in all localities to ensure that the price hike margin will drop markedly compared to last year. The work groups should actively publicize the significance of the price control measures, help local governments truly shoulder their responsibility in bringing about stable prices, and establish full understanding and inspect the implementation of price control measures in all localities and relevant departments. Further, they should promptly sum up progressive experiences of localities, analyze existing problems, and forward countermeasures and suggestions.

It is understood that the State Council work groups have also invited members of relevant committees of the National People's Congress and the National Committee of the Chinese People's Political Consultative Conference to participate in and supervise the work. The work groups will leave in succession in mid June and work for nearly one month.

State Loans Provided for Auto Producer

OW1406160295 Beijing XINHUA in English
1551 GMT 14 Jun 95

[FBIS Transcribed Text] Nanchang, June 14 (XINHUA) — The Industrial and Commercial Bank of China provided 40 million U.S. dollars in loans to the Jiangling Automobile Group earlier this week.

"The loan is of vital importance for Jiangling to develop production scale," said Sun Min, general manager of Jiangling, which is a major automobile manufacturer in China, producing 120,000 light-duty trucks each year. It has plans to produce 200,000 in the future.

Fluctuating foreign exchange rates and price increases for raw materials recently have caused serious capital flow problems for Jiangling.

So far, Jiangling has a good record of avoiding risks and has good credit, according to bank officials.

It has the total capability of manufacturing truck bodies, engines, and gearboxes, and also has a strong research and product-developing force.

As the 72d of the top 500 enterprises in China, Jiangling is the second strongest company in the country in terms of its assembly abilities.

Jiangling came into being when the Jiangxi Automobile Manufacturing Factory was restructured, introduced

technology from Japan and started to produce light-duty trucks in 1984.

Unemployment Insurance Spreading Nationwide

OW1506112995 Beijing XINHUA in English
1008 GMT 15 Jun 95

[FBIS Transcribed Text] Jinan, June 15 (XINHUA) — Twenty-two-year-old Jiang Yongtao lost his job earlier this year due to poor performance of his factory.

He went to register at the labor department and started to receive unemployment insurance subsidies while attending training courses offered by the labor department to prepare for a new job.

Jiang is only one of the 30,000 jobless people in Qingdao City, and nationwide, the unemployment rate is two to three percent.

As China is building a market economy and improving its loss-making State-owned enterprises, it is inevitable to face a rising unemployment problem.

The government has adopted many measures, including unemployment insurance, to help the jobless.

Investigations conducted in Shanghai, Hangzhou, Nanjing, Qingdao and other economic centers show that this insurance system has covered almost all employees in both State and private enterprises and businesses.

Like Jiang, all the jobless people are distributed insurance subsidy and receive re-employment training and services.

"The unemployment insurance system has come to ensure the basic needs of the jobless, and promote social stability," said Jiang Yaozhong, director of the Shanghai Social Securities Bureau under the city's labor department.

Major cities across the country have set up special organizations in every street and neighborhood communities for the management of the employed. They register the jobless people, distribute insurance welfare, and provide re-employment guidance and training.

Insurance compensation is enough to ensure the basic living standards of the jobless people, who are also entitled to medical insurance subsidy, in addition to other subsidies.

According to deputy director of the Shanghai Labor Bureau Yang Zichun, the unemployment insurance funds mainly come from enterprises, with an amount provided by the government. The enterprises hand in 0.5 to 1 percent of their total wage payment to labor departments, Yang said.

The amount of unemployment insurance subsidies Shanghai distributed reached 100 million yuan, he said.

Helping the jobless re-employed, instead of just issuing subsidies, should be the fundamental way to solve the problem, said Wang Sishun, deputy director of the Hangzhou Labor Bureau.

Progress has been made in this according to surveys. Fifty percent of the workers dismissed in 1994 were re-employed the same year in Qingdao.

The jobless are encouraged by the government to attend training classes, find jobs by themselves or start their own business, said officials from the Labor Ministry. For instance, he said, the attendants may have their training fees deducted if they have economic difficulty, and those who wish to start their own private businesses will be subsidized by the government.

Those who do not attend training classes and do not want to work again shall be stopped in receiving insurance subsidies in line with the rules set by most local governments.

The time limit for a jobless person to live on insurance subsidy is set at 2 years.

However, there are many "voluntary" unemployed people in the country, a labor official in Hangzhou said, referring to those who do not register with the labor departments for insurance welfare.

The main reason is that their unemployment has not brought much adverse effects to themselves and their families, for they could ignore the insurance subsidy, he said.

"Anyway, even if the jobless people only account for a small number of the working population, we need to take care of them," Wang said.

Three Gorges Area Speeds Up Opening Up

OW1406154695 Beijing XINHUA in English
1457 GMT 14 Jun 95

[FBIS Transcribed Text] Yichang, June 14 (XINHUA) — The Three Gorges area on the Chang Jiang River, where the world's largest water-control project is being built, is speeding up its opening to the outside world.

The country's first inland economic development zone, set up last December (there are eight coastal ones), the region includes 17 cities and counties in southwest China's Sichuan Province and central China's Hubei Province, of which the cities of Yichang, Wanxian, and Fuling have enacted preferential policies for their opening up.

With a total population of 13.4 million and an area totalling 50,600 sq km, almost 1.4 times that of Taiwan, the zone enjoys the world's richest hydropower resources and abundant mineral resources.

A recent survey shows that the region has a deposit of 130 billion cu m of natural gas, one billion tons of halite, 21 million tons of manganese, 30 million tons of bauxite and 2.7 million tons of strontium.

By the year 2009, when the water-control project is completed, one million local residents will have been evacuated from the gorges area, together with their 13 county towns and 140 townships.

Experts here believe that the resettlement of such a big population will bring overseas investors numerous business opportunities and promote local social and economic development.

It is learned that more preferential and flexible policies will be adopted in the zone to attract overseas investment. Major cities that have opened to the outside world are given the autonomy to approve projects involving 10 million to 30 million US dollars of foreign investment. Tax cuts will be available for equipment imported for technological upgrading and export-oriented agricultural production in these cities.

A total of 7.9 billion yuan has been made available for the construction of the Three Gorges Project since last December, and local residents near the construction site have begun to move out to other places.

Big cities in the region such as Wanxian, Fuling, Chongqing have paid special attention to infrastructure construction over the past few years so as to create a favorable environment for both domestic and overseas investment.

Sources said that an international airport is now being built in the gorges area, and 10 bridges will be built across the Chang Jiang in the region.

Three Gorges Area Records More Tourist Arrivals

*OW1406154595 Beijing XINHUA in English
1504 GMT 14 Jun 95*

[FBIS Transcribed Text] Chengdu, June 14 (XINHUA) — The Three Gorges area has become a hot tourist attraction in southwest China's Sichuan Province, with visitor arrivals amounting to a total of 173,000 last year.

This brought the province 45 million US dollars, accounting for half of its foreign currency for the year, statistics show.

The area includes many state-level scenic spots such as Mount Jinpo, bamboo forests and a batch of relics under state protection.

In recent years, local transportation, telecommunications and tourist reception capacity have been greatly upgraded, according to tourism officials.

The area now has more than 20 hotels and dozens of travel services. The number of pleasure boats on the Chang Jiang has reached more than 50. And all the counties and cities along the route have seen the establishment of international telephone lines, officials said.

Government Vows To Upgrade Shipbuilding Industry

*OW1506113895 Beijing XINHUA in English
0915 GMT 15 Jun 95*

[FBIS Transcribed Text] Beijing, June 15 (XINHUA) — China is vowing to improve its competitive edge in the shipbuilding industry not only to meet the country's demands but also to increase its international market share.

The country's goal is to catch up with the world's leading shipbuilders by the year 2000 through increasing its yearly output to 3.5 million tons from the 1.6 million tons in 1994, and by expanding its share of the international market to 10 percent from the present 5 percent, Wang Rongsheng, general manager of the China National Shipbuilding Industry Corporation told a forum on China's national industries recently.

"China's shipbuilding industry faces both opportunities and challenges since the world's demands are expected to increase but competition will become fiercer," Wang noted, while pointing out that the country's shipbuilding industry still has some shortcomings as compared with the advanced countries.

These include inadequate facilities for building large ships, and scientific research and design capability for more modern ships.

In order to reach the goal by the year 2000, a number of large shipbuilding yards, such as those at Dalian, Jiangnan, Hudong, Xingang, Bohai, and Wuchang, will undergo constant technical revamping.

Preferential policies will also be given to scientific research institutes that take on major research programs.

If all this is done, the country is expected to be capable of designing regular ships with tonnage below 300,000 and a certain number of high-performance ships in line with world-wide standards, Wang said.

***Economist Calls For State-Owned Enterprise Reform**

95CE0417A Beijing JINGJI GUANLI [ECONOMIC MANAGEMENT] in Chinese 5 Apr 95 No 4, pp 11-15

[Article by Zhang Zhuoyuan (1728 0587 0337): "Coordinated Understanding, Scientific Planning, Multi-form Experiments—Actively Promote Reform of State-Owned Enterprises"]

[FBIS Translated Text] The major task of economic restructuring this year is to reform state-owned enterprises with the aim of establishing a modern enterprise system.

The reform of state-owned enterprises, including big and medium-sized ones, is a difficult task in restructuring our country's economy, which can be likened to a campaign to storm a highly fortified post. This task, however, is key to smooth progress in building a socialist market economic structure. The present situation is: To speed up enterprise reform and build a modern enterprise system in the entire country by the end of this century, it is imperative to further coordinate the understanding of all sectors, work out a relatively practical and integrated reform plan, and conduct various experiments as required by different conditions, so that we can promptly sum up useful experience and apply it on a wide scale.

I. Coordinate Understanding, Establish a Clear New Mindset for Enterprise Reform

In November 1993, the Third Plenary Session of the 14th CPC Central Committee adopted the "Decision on Some Issues Concerning the Establishment of a Socialist Market Economic Structure," which signified a change in China's economic restructuring from granting power to enterprises and allowing them to keep a bigger share of profits to emphasizing the reform of the various systems as the main task. Accordingly, the past mindset for enterprise reform centering on the popularization of the contract system should be replaced by one of building a modern enterprise system in line with the needs of developing a socialist market economy and socialized mass production. This substantial change in the mindset and strategy for enterprise reform, of course, could not be immediately apprehended and accepted by the public at the time the "Decision" was promulgated. The change from popularizing the contract system to building a modern enterprise system must undergo stages of gradual transition, and we must make this transition a smooth process. An important prerequisite for this smooth transition is to unify people's understanding and change their thinking in accordance with the guidelines for building the modern enterprise system contained in the above-mentioned "Decision." It should

be understood that the modern enterprise system under contemplation is one that meets the needs of a socialist market economy. The contract system is unsuited to the separation of government administration from enterprise management, the transfer and reallocation of the assets of state-owned enterprises, and fair competition among these enterprises on the market. What is more, the contract system cannot fit in well with the reform of the financial and taxation systems. Only when we have a full understanding of the above, can we free ourselves from the thinking that the enterprise reform must be accomplished by the implementation of the contract system. Only thus is it possible to change the old mindset and effect a smooth transition from popularizing the contract system to building a modern enterprise system.

The modern company system represents the typical form of modern enterprises. China has promulgated the "Company Law" to accommodate the building of its modern enterprise system. Now, an urgent task to further promote enterprise reform is to gear up reorganization of state-owned enterprises, primarily big and medium-sized ones, into companies according to the "Company Law." The "Company Law" states that companies mean limited liability companies and limited liability stock companies established in Chinese territory in accordance with that law. At present, however, some people, including economics scholars, still take a skeptical and negative attitude toward the establishment of a modern enterprise system and reorganization of big and medium-sized state-owned enterprises into stock companies. In their opinion, the only way to modernize China's enterprises is to revamp enterprise operations and management; the stockholding system and the company system cannot achieve this purpose. As can be seen, we still have to do something to coordinate people's understanding in this regard.

The modern enterprise system is a new concept. The above-mentioned "Decision" has given a fairly comprehensive and accurate outline of the modern enterprise system and pointed out its basic characteristics, namely, clearly defined rights over assets, explicit rights and responsibilities, separation from government interference, and scientific management. Further, the "Decision" sets forth the concept of the property rights of enterprises as legal entities. In explaining this, it states unequivocally: The ownership of state-owned assets in the enterprises belongs to the state; the enterprises, as legal entities, possess all rights over the assets formulated by investments from various sources, including the state, and become legal entities that enjoy rights and shoulder responsibilities under civil law. The enterprises use all the resources to which they are legally entitled to conduct management independently and shoulder sole re-

sponsibility for gains and losses according to law, pay taxes in line with related stipulations, and assume the responsibility of maintaining and increasing the value of the assets in the interests of the investors. The investors enjoy, commensurate with their shares of capital investment, their rights and interests as part owners of the enterprises, that is, the right of dividend and the right to take part in strategic decisions and choice of managers. Should the enterprises go bankrupt, the investors only shoulder limited liability for the debts of such enterprises according to the amount of their capital investment.

However, some comrades have misunderstood the property rights of legal entities, and their misunderstandings are multifarious. A rather common misunderstanding is to view the property rights of legal entities as enterprise rights of ownership. In particular, it regards the assets created by the enterprises under the previous profit-retention system, including assets resulting from profits made through operations with loans borrowed from banks, as enterprise property and uses this as a symbol of the property rights they should enjoy as legal entities. In fact, this is not the original meaning of property rights of legal entities.

First, the property of enterprises as legal entities is created by investors, who have final ownership of this property. However, there is a difference between the property of enterprises as legal entities and the common property of investors. After investing in enterprises, investors cannot directly control the property of enterprises as legal entities. They cannot even control the part of property created by their investment, nor can they participate directly in the concrete operation of the enterprises. All that the investors can do is to sell the shares they possess to others or to receive dividends earned by these shares. If the enterprises go bankrupt or run into debt for one reason or another, the investors only shoulder limited liability for the debts of the enterprises according to the amount of their capital investment. They need not repay the debts by other assets owned by them.

A most difficult question to clarify is whether the property rights of enterprises as legal entities include the right of revenue. My opinion is that enterprises, which, as independent legal entities, operate independently and shoulder sole responsibility for their gains and losses, should enjoy the right of revenue. Perhaps this right of revenue may be called the initial right of revenue as distinguished from the ultimate right of revenue. The reason is that the big bosses of the enterprises are the investors, and accordingly, the revenue earned by the enterprises should finally go to the investors. Because of this, only investors have the ultimate right of revenue.

Of course, the enterprise right of revenue from assets held by it as a legal entity is not something of no importance. A good economic return, or high revenue, is indicative of a favorable position in market competition and bright prospects for development. It also proves that their personnel, particularly management personnel, have done a good job and should be commended and rewarded.

Second, should enterprises own assets they have created with retained profits, including assets resulting from profits earned by money borrowed from banks after the "replacement of fund allocations by loans?" This question should be studied seriously. Most people hold that because the loans of enterprises are guaranteed by the government, the assets resulting from profits earned by business conducted with these loans should be owned by the state. Here, it should be pointed out that the "replacement of fund allocations by loans" and the government guarantee for loans as practiced in these years are not standard "loans" and "guarantees"; in other words, they are not genuine commercial activities. Perhaps, they may be described as a special form of state investment in the course of the economic restructuring. In the case of old enterprises, the investor is the state. Enterprise returns from business conducted with bank loans will finally go to the state, and bank risks in extending such loans are also borne by the state. Should a loan become uncollectible, it has to be written off by the state financial department or the state bank. In view of this, it is reasonable to say that the assets created by enterprises with profits earned from business conducted with bank loans should be owned by the state. As for new enterprises, including those receiving no fund allocation from the state and established solely with loans from banks, it is because their leaders and employees are cadres, staff members, and workers of the state that banks have agreed to give them the loans under the state guarantee. Were it not for this, the banks would not have so easily extended loans to them. The risks involved in such loans are still undertaken by the state. Because of this, it is also reasonable that the profits and assets earned by new enterprises through business conducted with these loans should be owned by the state.

To sum up, building a modern enterprise system in our country in line with national conditions is an unprecedentedly great undertaking. So far, we have not gained much experience in this respect and still have to enhance our understanding of the work involved. In building a modern enterprise system, we should continue to learn and sum up experiences to find the patterns of development and to achieve the greatest results at a relatively low cost.

II. Scientific Planning, Integrated and Coordinated Efforts

The reform of state-owned enterprises involves the restructuring of the microeconomic base and will affect the next phase of the overall economic reform program. The reform of state-owned enterprises with the aim of building a modern enterprise system is a project initiated at the top level to be fulfilled at the lower level. It should be carried out step by step and as methodically as possible. To this end, we must work out a practical plan to make integrated and coordinated efforts to proceed with work.

First of all, since China has such a vast territory, its economic development varies from place to place, and there are so many state-owned enterprises, it is impossible to transform them all according to the same model, say, the model of modern companies. Instead, it is necessary to use different methods for different situations. The modern enterprise system to be established should comprise different categories or types of enterprises. Also, because of the large number of state-owned enterprises to be reformed and, accordingly, the large number of employees involved, the work of reforming enterprises cannot be conducted too hastily and too quickly. Rather, it should be carried out by stages with only a certain number of enterprises transformed at each stage. This requires a practical plan to divide enterprises into groups according to their categories so that they may be reformed group by group.

For example, we should study which industries (and enterprises) should be transformed into wholly state-owned enterprises or companies with all their shares held by the state and which industries (and enterprises) can be transformed into companies whose shares are partially held by the state or companies without state-held shares. A socialist market economy should be based on public ownership as the mainstay and rely on its state-owned sector as the leading component. Actually, however, there are very few industries (and enterprises) that should be owned solely by the state or whose shares should be held totally by the state. Only those companies making special products and enterprises in the defense industry should be owned solely by the state. Only pillar-industry enterprises and backbone enterprises belonging to the category of basic industries should be transformed into companies with all their shares held by the state. Other industries (and enterprises) are mostly competitive businesses. The state may either keep some of its investment in them (in the case of important industries and enterprises) or withdraw all its shares from them (in the case of unimportant and small industries and enterprises). That is, the state may transfer some of the shares or sell

all its property rights. The revenue obtained from such transfers and sales, apart from being used to settle laid-off employees and paying other expenses, may be used as capital input to build new pillar-industry enterprises or backbone enterprises in the field of basic industries. This will by no means weaken but will assist in reinforcing the leading role of the state-owned sector in the national economy.

After the state clearly announced that the orientation for the enterprise reform is to build a modern enterprise system, all enterprises have reacted with great enthusiasm. All have requested that their enterprises be allowed to implement the modern enterprise system as soon as possible. However, only some 1,000 enterprises are now designated as experimental units for conducting this reform (including 100 pilot enterprises for implementing the modern enterprise system, 56 for forming enterprise groups, three to be reorganized into companies with their shares held by the state, and 18 city-level pilot enterprises for "optimizing the capital structure" selected by the State Council, as well as some pilot enterprises chosen by local authorities). For the overwhelming majority of other enterprises, the major work at this moment (for example, in 1995) is to create a favorable condition and lay the groundwork for building a modern enterprise system. This includes making continued efforts to implement the "Law of Enterprises Owned by the Whole People" and "Regulations on Transformation of Operational Mechanism of Enterprises Owned by the Whole People" to enable enterprises to really enjoy their rights and shoulder their responsibilities. Other tasks are strengthening the supervision and management of the assets in state-owned enterprises, preserving and increasing the value of these assets, and systematically conducting the work of checking the stocks and capital, defining property rights, clearing up credits and debts, reappraising assets, and verifying the property used by the enterprises as legal entities. Also necessary is implementation of the "General Financial Guidelines for Enterprises" and the "Guiding Principles for Enterprise Accounting" with a view to reforming the financial system of enterprises.

All these are fundamental tasks, and their success will be conducive to building the modern enterprise system. In short, the implementation of a modern enterprise system should be preceded by tests to acquire experience, and work in this respect should be carried out step by step. In no way should we pursue formalism and rush headlong into mass action. A recent central economic work conference set forth a clear-cut timetable for this work. That is, all questions concerning state-owned enterprises should be resolved by the end of this century. Meanwhile, it is imperative to guard against any such

action as transforming unqualified enterprises into companies. With promulgation of the "Company Law," we should pick up those big and medium-sized state-owned enterprises that have not been transformed into companies and assist them in gradually implementing the company system where conditions permit. Additionally, we should, in accordance with the "Company Law," formulate an operational standard for the 3,000-plus companies whose stocks are presently issued only to certain social sectors. We should rectify their operations and transform them into genuine modern companies.

Furthermore, modern enterprises may take many forms according to their financial structure. They may be enterprises owned by a single investor, partnership businesses, limited liability companies, limited liability stock companies, and other forms of enterprises. All these can have their specific modern enterprise systems. Modern enterprises are not limited to companies (though companies are the typical form of modern enterprises); still less are limited liability stock companies the only form of modern enterprises. Because of this, it is not necessary for all state-owned enterprises to implement the company system. At least, small enterprises need not do so.

China's state-owned enterprises have operated for several decades under the traditional system. They have contributed significantly to our national construction and financially supported the more than 10-year drive of reform and opening to the outside world. Nonetheless, many old state-owned enterprises are beset with increasing difficulties, their problems including heavy debts, overstaffing, the weighty burden of providing various social welfare benefits to the employees, and the drain of state assets. In deepening reform of state-owned enterprises and in reorganizing the big and medium-sized ones into companies, we will meet with these problems (only a few new enterprises have less difficulties in these areas) and have to solve them. To solve these problems successfully, we must have a good plan. In particular, it is necessary to coordinate reform in various fields and make the various policies compatible with one another to create a combined force. In no way should the reform measures and policies conflict with or impede each other. Above all, it is imperative to guard against such instances as the solution of one difficulty giving rise to another difficulty—that is, the shifting of the difficulty from one area to another.

Apart from the problem of enterprises providing social welfare benefits to their employees, which should be resolved as early as possible, the most difficult issue at present is the treatment of enterprise debts. State-owned enterprises are laden with excessively heavy debts, many of which are uncollectible. Statistics show

that the debt-to-asset ratio of state-owned industrial enterprises was 68.2 percent as of the end of 1993, well above the generally accepted ratio of 50 percent. In addition, there are a large number of bad debts, which have reached more than 200 billion yuan according to an initial estimate. This amount accounts for about 20 percent of current bank loans to state-owned industrial enterprises and 15 percent of the total liability of these enterprises.

Departments concerned have made an extensive study of the treatment of the debts of state-owned enterprises and devised plans for this purpose. Now there are five proposals: 1) The government writes off the bad debts after screening. 2) The debts are transformed into shares; that is, they are converted into bank shares in the enterprises. 3) The state financial department gives an appropriation to enterprises to pay off debts. 4) The government establishes a trust fund for the banks and enterprises concerned to solve their debt problem. 5) The debts are converted into shares on the financial or stock markets. As to which proposal should be adopted or used in the main, the decision should depend upon the specific conditions. Consideration may be given to using different methods for different enterprises or using a combination of several methods where necessary.

Of late, there have been fairly animated discussions about how to deal with the debt question between banks and enterprises. At an international symposium held in August 1994 on "The Next Reform Step in China's Economic Restructuring," some foreign experts suggested that state-run commercial banks hold a limited amount of shares in the enterprises, say 5-10 percent of the total shares, like the banks in Japan since the 1950's-1970's (the maximum amount of the bank shares being 10 percent) or since the 1980's (the maximum being 50 percent). This way, the commercial banks will play a significant role in the supervisory and control framework of company-type enterprises. This, they said, will constitute an external check-and-balance mechanism, making enterprise management personnel aware that if they fail to do well, the banks will interfere and impose control over their management. However, public figures in business circles and economics scholars do not think this suggestion is feasible. First, they say that we are now separating banking from the securities industry. No bank should hold shares in enterprises, except investment banks. Second, they fear that once banks have become shareholders, they may collaborate with the enterprises in rent-seeking. Obviously, their concern is not without reason. But the question is: If China can effectively control inflation and speed up the marketization of its interest rates on capital, or if bank and market interest rates become closer or the same, can the above

suggestion be accepted as a way to solve the debt issue between banks and enterprises? This question is worth further study and deliberation.

All sectors should try to create a favorable external environment for enterprise reform. This means that reforms in other fields should support the reform of enterprises, and all relevant economic policies should be adjusted to suit this purpose.

We have stressed the need to gear up the transformation of government functions for years, but have so far achieved little results. Today, in deepening enterprise reform and reorganizing large and medium-sized state-owned enterprises into companies, the trouble and resistance encountered are, in most cases, caused by the fact that the pertinent government departments are unwilling to grant power to enterprises and give up their interference in the day-to-day production and operations of them. In a survey we conducted in May 1994, we heard the following remark made at a meeting by a responsible person from a government department in charge of enterprises: The socialist market economy is an economy managed by the leadership. If we leaders let an enterprise develop, that enterprise will surely do so.

Now even in the case of enterprises that have been reorganized into companies, the government still often improperly interferes in their operations. Another survey in February 1994 showed that improper interference by so-called superior department (enterprises as stock companies should have no such superior department) in the management of company-type enterprises was rather serious. In over 30 percent of these enterprises, the chairmen of the board of directors and the general managers were not created in the normal way; rather, their creation was subject to the opinion of the "superior department." Among the 371 stock companies covered by our survey, 56.1 percent had such superior departments, while 19.7 percent had no superior departments but were associated with some government units. Only 24.1 percent had neither superior departments nor associated government units. The vast majority of enterprises practicing the shareholding system (71.5 percent) said that there is no need for them to have a "mother-in-law"—meaning the superior department.

As can be seen, the difficulty, or focal point, in reforming China's enterprise system lies in the transformation of government functions. Continued delay in such transformation will seriously impede enterprise reform. Nonetheless, as the government department in charge of enterprises thinks that giving up interference in the day-to-day production and operations means giving up its vested interests, it continues such interference, re-

sulting in a great resistance to enterprise reform. To reduce such resistance, we many consider an "interest remedy" method, that is, giving some short-term benefits to the above-mentioned superior department and its personnel so that they will give up their interference, perhaps with a show of reluctance. As to what benefits should be given them, this is a question to be studied.

The state should increase the input for technological upgrading. It is suggested that the government readjust its spending policies by allocating more funds for technological upgrading, including the renovation of old industrial base areas. Someone has reckoned the returns yielded by technological upgrading. During the 10 years from 1984 to 1994, for every yuan we put into technological upgrading, we got an output of 2 yuan and a pre-tax profit of 0.4-0.6 yuan. The input was only 40 percent of the investment required for a new capital construction project for the same purpose, while the output and profit were double and the time required for the completion of the project was shortened by 50 percent. Currently, 70 percent of our country's fixed-asset investment is in capital construction and in new construction projects, and only about 30 percent in technological upgrading. From now on, we should properly adjusted the ratio so that investments in new projects and technological upgrading projects will be equal. From a long-term viewpoint, however, investment in technological upgrading should be more than the amount invested in capital construction and in new construction projects.

III. Control Inflation To Create a Fairly Favorable Environment for Deepening Enterprise Reform

Since 1993, China has once again experienced the problem of inflation, and now this problem has lasted for two years. In 1993, the consumption rate of residents and retail commodity prices were 14.7 and 13.2 percent higher than the previous year. In 1994, they rose further by 24.1 and 21.7 percent respectively. It should be noted that the overly high rate of price rises (which generally means a double-digit rise, i.e., at least 10 percent) will continue for a certain period of time—at least this will be the case in 1995. We should give full attention to this matter in the course of deepening the enterprise reform and building the modern enterprise system.

Experience gained at home and abroad shows that serious inflation will impair normal economic operations. Inflation to a more-than-slight degree (slight inflation is 5 percent or lower) will encourage speculation and profiteering, which will disrupt the financial and market order, widen the income gap, and lead to improper allocation of resources. Serious inflation will impede the change from a planned to a market economy, the smooth progress of our economic restructuring, and, accord-

ingly, the establishment of a socialist market-oriented economic system. It also has a negative effect on the smooth progress of the enterprise reform. Economic stability and a relaxed public mood are two significant prerequisites for the in-depth reform of enterprises. Serious inflation and continued excessive price rises will affect economic stability and the public mood. As a result, a lot of people will shift their attention from enterprise reform to the price problem, trying to figure out how to avoid the loss of their own interests. Inflation to a more-than-moderate degree will often distort the operating results of enterprises because the returns of enterprises are often related to the rate of rise in prices, including prices for raw materials and energy, and to enterprise efforts to use price hikes to offset the effect of price hikes. When inflation is more than moderate, enterprises will no longer devote their efforts to deepening reform, transforming operational mechanisms, strengthening management, and raising labor productivity as ways to improve efficiency. Instead, they will be enthusiastic about shifting the effect of price hikes to their customers or even take part in speculation and profiteering themselves or carry out such activities as monopolizing or driving up prices, thus impeding the progress of their own reform. As far as the attention of the leadership is concerned, when serious inflation appears, the government is compelled to concentrate its energy on curbing it and solving the various problems arising therefrom. This to some extent diverts its attention from enterprise reform. In view of this, controlling inflation to ensure economic stability is imperative for creating a fairly favorable condition for the deepening of the enterprise reform.

On the other hand, deepening enterprise reform is conducive to radically preventing the frequent recurrence of inflation. For this purpose, we must make efforts step by step to ensure that enterprises persist in reducing input and increasing output in every link of the production process. We must see to it that they improve economic efficiency in every possible way, eliminate all price-hike factors, and refrain from raising prices indiscriminately. Moreover, in developing production, enterprises should act within the limits of their capacity. They should not start any new projects, but should focus on upgrading technology, raising product quality, and boosting market competitiveness. With regard to management, they should raise consciousness of market-oriented operations, make production plans based on orders received, and strive to reduce stockpiles while expanding the market for products. As to consumption, they should uphold the principle of "persisting in the two less-than's" (jian chi liang ge di yu 1017 2170 0357 0020 0144 0060), develop the campaign of increasing revenue and retrench-

ing expenditures, and avoid the unjustified distribution of extra wages and bonuses.

Foreign Trade & Investment

Song Jian Meets With Hewlett-Packard President

OW1406113795 Beijing XINHUA in English
1017 GMT 14 Jun 95

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — Hewlett-Packard (HP), one of the leading computer companies in the United States, will spend nearly 10 million dollars in establishing a joint venture in Shanghai, this time on a chemical project.

This was announced by Lew Platt, president of Hewlett-Packard (HP), here today at a ceremonial gathering for the 10th anniversary of the launching of the China Hewlett-Packard.

The Shanghai Analytical Instrument Co. Ltd. is jointly funded by the HP and a local partner, involving 8.5 million US dollars from the U.S. investor, said Platt.

The HP holds 70 percent of the venture's shares, which will specialize in the research and development of chemical analytical instrument.

In addition, Platt said, the company signed an agreement yesterday on the establishment of a research fund with the State Science and Technology Commission, the country's highest administrative body of science and technology progress.

According to the agreement, the HP will donate one million US dollars to the fund, and research items will be decided by the two sides, and research achievements will be shared.

The first batch of sponsored projects is likely to cover the fields of telecommunications, computer, biological technology and material science, according to Platt.

Furthermore, the U.S. company will increase its investment in its Shanghai subsidiary, the Hua Pu Information Technology Co. Ltd., that is nailed down by a letter of understanding recently signed by the company and the East China Computer Institute under the Ministry of Electronics Industry.

The output volume of computers in the subsidiary will be further expanded, with more new models being offered to domestic markets.

"Like other foreign computer companies, we are enthusiastic about China's future and have great confidence in the prominent market," said Platt, and investment of HP in China in the next five years will surpass the total of 25 million dollars during the past ten years.

So far the HP has set up five joint ventures in China with 700 employees. The company's revenues have maintained a growth rate above 100 percentage points since the year 1993, and its sales hit one billion yuan (119 million US dollars) last year.

Platt arrived in Beijing last Monday [12 June], and met with the State Councillor Song Jian and Minister of Electronics Industry Hu Qili.

Foreign Trade Results for Jan-May Reported
HK1506053095 Beijing CHINA DAILY in English
15 Jun 95 p 1

[Article by Wang Yong: "Imports Up But Surplus Swells to \$10 Billion"]

[FBIS Transcribed Text] China's imports continued buoyant growth in the first five months of 1995, but a trade surplus of \$10.26 billion was recorded, according to the General Administration of Customs.

The imports grew 16.3 per cent to \$45.66 billion, nearly two percentage points higher than the January-April level.

Meanwhile, exports increased 49.1 per cent to \$55.92 billion, about four percentage points off the January-April level.

The nation's export growth rate hit a record high of 88.2 per cent at the beginning of the year. This was attributed to the exporters' eagerness to get their export tax refund in the fiscal year of 1995.

Chinese trade officials have predicted that export growth would slow in the latter half of the year while imports will further rally.

The total foreign trade volume at the end of May was \$101.58 billion, up 32.3 per cent, Customs figures show.

China earlier this year set its year-end foreign trade goal at \$240 billion, a slight increase over the 1994 level of \$236.7 billion.

Customs officials said yesterday that the nation's overseas-funded enterprises alone achieved an overall import and export volume of \$37.32 billion, up 31.9 per cent.

Their exports grew 44.3 per cent to \$15.27 billion, while imports picked up 24.5 per cent to \$22.05 billion.

Customs officials noted that machinery and electronic products made up the bulk of all trade by May.

"But the import of these products has dropped by 1.5 per cent to \$19.9 billion, accounting for 43.6 per cent of the nation's total import volume," officials said.

Textile machinery, metal processing machine tools and aircraft led the decline.

The import of steel and oil products also plummeted by more than 30 per cent.

But the import of cereals, edible oil, sugar and fertilizer has surged.

Tariff Rates for Video Tapes, Buses Readjusted
OW1506084495 Beijing XINHUA Domestic Service
in Chinese 0742 GMT 12 Jun 95

[By reporter Jiao Ran (3542 3544)]

[FBIS Translated Text] Beijing, 12 Jun (XINHUA) — It was learned from the Office of Tariff Regulations Committee under the State Council that the state has decided to readjust customs tariffs for video tapes and medium-sized buses with 10-29 seats.

The specific tariff categories, numbers, and rates readjusted are as follows: (1) current preferential import tariff rate for unrecorded video tapes for recording other [qi ta 0366 0100] information (tariff number 85231330), is readjusted from 85 percent to 50 percent, and regular tariff rate remains the same at 130 percent; (2) current preferential import tariff rate for video tapes already recorded other [qi ta 0366 0100] information including master tapes for duplication (tariff number 85242390), is readjusted from 100 percent to 50 percent, and regular tariff rate remains the same at 130 percent; (3) current preferential import tariff rate for buses with 10-29 seats and with compression-type piston internal combustion engines (diesel or semi-diesel engines) (tariff number 87021090) is readjusted from 180 percent to 100 percent, and regular tariff rate remains the same at 230 percent; (4) current preferential import tariff rate for other kinds of buses with 10-29 seats (tariff number 87029090) is readjusted from 180 percent to 100 percent, and regular tariff rate remains the same at 230 percent.

The readjusted tariff rates will be implemented beginning 1 July 1995.

Foreign Recruitment Put Under Stricter Control
HK1506054295 Beijing CHINA DAILY in English
14 Jun 95 p 1

[Article by Xu Yang: "Recruiters of Foreign Talent Must Register"]

[FBIS Transcribed Text] Overseas talent recruiting agencies operating in China must register with the State Bureau of Foreign Experts (SBFE) or face legal punishment, SBFE officials announced yesterday.

And all foreign agencies failing to register by October 1 will be banned, the officials said.

Fifteen foreign agencies, such as the English Language Institute of the United States, have gained the SBFE's permission to introduce language experts to Chinese cultural and educational institutes.

Chinese universities are beginning to turn down the services of agencies which do not have the SBFE registration certificate.

Each year, about 800 foreigners find jobs in China through the 15 registered agencies. Most sign contracts to work for more than six months.

The SBFE hopes the registration move will result in an even distribution of foreign experts between affluent coastal areas and underdeveloped inland provinces, where the demand for experienced foreign talent is higher, said Xu Zhenyuan, SBFE's deputy director general.

The SBFE also will define the operational areas of each agency upon their registration.

But registered recruiting agencies will not be allowed to contact employers directly, and will be expected to work through intermediary organizations set up by local authorities.

Such intermediary organizations will find out the employment needs of universities, newspapers, publishing houses and other cultural institutes and request the foreign recruiting agencies to fill the voids. In some cases, they may authorize the recruiting agencies to contact the would-be employers directly.

Xu said it will take time to put the hiring of foreign experts on a standard track.

Standard management systems will help safeguard the rights of foreign experts, their recruiting agencies and Chinese employers, he said.

A standardized registration system also will make it easier for foreign talent companies to do business in China if the country enters the World Trade Organization in the near future, Xu said.

"We hope those registered agencies will abide by Chinese laws and regulations and respect the surveillance of local foreign affairs offices, public security and educational authorities," Xu said.

He also demanded that foreign recruitment agencies run orientation programmes for foreign experts to help ease their cultural shock upon entering China.

"They should tell them to respect China's religious policies and to stay away from illegal missionary work

and political and other activities irrelevant to their expert identity," Xu said.

Sixth International Telecom Equipment Show Opens

*OW1406154895 Beijing XINHUA in English
1431 GMT 14 Jun 95*

[FBIS Transcribed Text] Shanghai, June 14 (XINHUA) — The Sixth International Telecommunications Equipment Exhibition opened here today, attended by more than 100 companies from 14 countries and regions.

Regarded as the first of its kind ever held in China, the high-level exhibition displays the latest technology and products of a number of big global names, including Motorola, IBM, Siemens, NEC, Philips, Samsung and Bell.

The products on show range from program-controlled exchanges, mobile telephone systems, optical telecommunications networks, satellite transmission equipment and pagers to software.

Overseas telecom companies first set foot in the Chinese marketplace in the early 1970s, when ocean cable, satellite, optical fiber, and program-controlled digital exchange technology were first introduced to the country.

Experts here said that the telecommunications sector so far has turned into one of the major money makers of the country. Their growth rate is higher than that of the nation's GNP, and the import of advanced technology and equipment is sure to be further expanded.

Accompanying the five-day show, 24 technological exchange conferences will also be held here.

Hainan Lists 45 Projects for Investment

*OW1506093995 Beijing XINHUA in English
0751 GMT 15 Jun 95*

[FBIS Transcribed Text] Haikou, June 15 (XINHUA) — South China's Hainan Province, the country's largest special economic zone, has listed 45 projects for cooperation with domestic and overseas investors this year.

These projects include 15 that are being built and 30 that are being prepared, said an official from the Provincial Economic Cooperation Department,

Among the first 15 projects, 11 need 1.6 billion U.S. dollars in overseas investment and 5.7 billion yuan in domestic funding. These projects cover industry, agriculture, development zones, tourism, real estate and public utilities.

The 30 projects being prepared need a total investment of 13.5 billion U.S. dollars. And 24 projects of them

are meant to use overseas investment while six to use domestic capital.

These 30 projects involve infrastructural construction, industry, agriculture, tourism and development zones.

'Large Sums' Invested in Wuhan by Foreign Firms
OW1506093895 Beijing XINHUA in English
0830 GMT 15 Jun 95

[FBIS Transcribed Text] Wuhan, June 15 (XINHUA) — More and more foreign investors are trying their luck by putting large sums of money into businesses in the central Chinese city of Wuhan, capital of Hubei Province.

According to Sun Zhigang, deputy mayor of Wuhan, which was approved as one of the open areas along the Chang Jiang River in 1990, the city had approved 3,609 foreign-funded firms by the end of May, with contracts involving 5.2 billion U.S. dollars in foreign investment.

One hundred and thirty of the world's 1,000 most famous transnational corporations have come to have a look at Wuhan for investment opportunities, with 40 of them having made an investment in the city.

All big companies have invested in Wuhan because of its geographic location and convenient transportation.

Shigeyuki Kunitomo, General Manager of Wuhan NEC Zhongyuan Mobile Communications Co. Ltd, told reporters that he made the decision to expand his business to Wuhan as he believes that China has great market potential, and Wuhan, which is located in the middle of China, has many advantages for doing business, including transportation, convenient distribution and transfer of materials, and a contingent of scientific research personnel.

Kunitomo's company was set up last August and can produce 50,000 to 60,000 cellular phones this year and will be able to produce 20 million by the year 2000.

The Dongfeng-Citroen Automobile Co. Ltd is another example. The company is a joint venture of the Dongfeng Automobile Company, headquartered in Shiyan City, in northwestern Hubei, and Automobiles Citroen of France.

The joint venture, based in Wuhan to produce small cars, started with a total investment of 10.35 billion yuan and is now under construction and scheduled to start production in the latter half of this year.

Barriere Alain, director of the manufacturing engineering department of the joint venture, said Germany and Japan made investments much earlier than his company, and cars produced by Sino-German and Sino-Japanese

joint ventures now account for a fairly large share of the market in China.

He believes that the Dongfeng-Citroen cars which are easy to handle and fuel efficient, will get a greater share of the market.

He explained that Dongfeng-Citroen will eventually have a production capacity of 300,000 cars a year and get a 15-percent share of China's car market.

Shanghai Use of Foreign Capital Detailed
OW1506094195 Beijing XINHUA in English
0649 GMT 15 Jun 95

["Roundup: Utilization of Foreign Funds Pays Off in Shanghai"]

[FBIS Transcribed Text] Shanghai, June 15 (XINHUA) — By absorbing foreign capital, and importing foreign technology, management, and ideas about production, China's largest economic center has gotten tangible results, making full use of foreign investment.

Shanghai has approved 12,000 foreign-funded projects, and used nine billion US dollars of direct foreign investment and 6.5 billion US dollars of indirect foreign investment.

"The utilization of foreign capital has become a major source of Shanghai's development, helping modernize its industries, improving infrastructure, establishing a market economy, and expanded urbanization to rural areas," a municipal official explained.

Sales output in the automotive, telecommunications, power equipment, petrochemical, iron and steel, and electric appliance industries, which have been developing partly using foreign funds, accounts for 45 percent of the city's total.

By the end of this century, the income from these industries and the growing areas of microelectronics, computers, pharmaceuticals, and bioengineering will top 350 billion yuan, accounting for at least 50 percent of the city's total. The traditional machine and electric appliances, textiles, and light industry are expected to upgrade their products and increase efficiency to survive by cooperating with foreign manufacturers and using the latest foreign technology.

At present, the amount of foreign capital used by service industries in Shanghai accounts for more than one half of the city's total.

"Foreign investment has penetrated 30 sectors, including banking, real estate, culture, recreation, information, food service, design, education, and public health,

helping Shanghai to improve its urban functions," the official said.

Shanghai is expected to put on a new look within ten years by leasing old urban districts to foreign business people.

At present, Shanghai has 27 publicly-held companies, which have issued B-shares worth 571 million US dollars, and in the outskirts 5,000 foreign-funded enterprises involving a total investment of six billion US dollars, have been approved.

According to statistics, 6,554, or 61 percent, of Shanghai's total of approved foreign-funded enterprises, had gone into production by the end of last year, and are operating smoothly.

These enterprises generated output value totalling 84.8 billion yuan last year, accounting for 20.5 percent of the city's total.

Agriculture

Official Interviewed on Summer Grain Harvesting

OW1506104295 Beijing XINHUA in English
0635 GMT 15 Jun 95

[FBIS Transcribed Text] Beijing, June 15 (XINHUA) — The amount of summer grains and oil-bearing crops are certain to increase if no serious disasters occur before the end of this month, said an official from the Ministry of Agriculture.

Interviewed by a XINHUA reporter, director of a department in charge of agricultural information, Zhao Hanjie, said that the major summer wheat areas are busy with harvests, which are expected to be finished by the end of this month.

China has set itself the target of increasing grain output by 2.5 billion kg this year. Zhao is optimistic about possibilities. "Judged by present conditions, it's not difficult," he commented.

China's major summer wheat areas cover the basins along the Yellow and Huaihe Rivers, and the middle and lower reaches of the Chang Jiang, all of which reported bumper harvests except for some late wheat regions in the middle and lower reach of the Chang Jiang River suffering from flooding.

Accurate grain output this summer was not provided as the summer harvest in the northwest just began in the past few days and in Xinjiang Uygur Autonomous Region will not begin until July.

But Zhao said that he is sure that the wheat output will be the second largest in history.

He admitted that the drought in the northern and northwestern parts of the country will be harmful to wheat harvests in the provinces of Gansu, Shaanxi, Shanxi, Henan and the Ningxia Hui Autonomous Region.

He predicts that the eastern part of Gansu Province and the western part of Henan Province will suffer a drop in wheat output.

Most parts of the northeast, Qinghai Province, the Tibet Autonomous Region, and Inner Mongolia are excluded from the summer harvest because little wheat grows there.

Generally speaking, the summer harvest accounts for some 20 percent of the yearly total. China expects to produce 455 billion kilograms of grain for the whole year, an increase of 10.5 billion kilograms over last year.

Rural Household Contract System To Continue

HK1506053695 Beijing CHINA DAILY in English
15 Jun 95 p 4

[Article by Wang Xiaozhong: "Rural Land System Needs Changing"]

[FBIS Transcribed Text] China's economic reform in the past years has tried various contract responsibility systems.

The rural household contract responsibility system was the first of its kind adopted in China's economic reform.

While other contract systems have been abandoned, the rural land contract system faces the need to be readjusted to maintain stability and development.

When the system began to spread in the early 1980s, it started a new epoch. With land farmed out, households once again became the basic economic units after decades of centralization. Farmers, tired of being equally poor, began to work enthusiastically for their own wellbeing.

As a result, the country's agricultural production leaped out of the pitfall of stagnation, if not decline, and stepped into lasting sharp increases for years.

And so did farmers' incomes.

What is more important, it served as both material and psychological foundations for all the following reform programmes.

This year, when most land contracts end, the government reaffirmed the household contract system as the baseline of China's rural economic system. Land contracts are urged to be extended for another 30 years.

The government will do so as long as farmers still want to hold the land. Keeping social and economic stability in the countryside is always of crucial importance in a country where rural residents account for more than 70 per cent of the population.

However, to achieve long-term stability, changes are also imminent.

Many economists believe that, despite its indelible contributions, the contracting land system could hinder further development of rural economy as it, if it is not readjusted, suits only small-scale farming.

The use of modern production means is hindered as the contract system divides land into small patches.

Even the land of one household is not in one piece. For the sake of equality, it is usually composed of many separate patches in places of different yielding capabilities.

Another problem is farmers tend to extract the potential of land without necessary input for fear of changes in contracts.

As land is granted to families based on their size, the pressure for change increases when people are born or die, or other changes happen.

Small production scale, low economic proficiency and lack of ability to follow market information have become problems threatening China's agricultural development, said Li Bingkun, a senior official with the State Council's Policy Research Office.

He said in some developed areas, agriculture is shrinking as more farmers only farm as a sideline occupation. They earn money from non-agricultural sectors, and cultivate only to grow enough food for themselves. Some may leave their land untouched for years.

The phenomenon, which has caused a lot of trouble in some developed countries, is dangerous to China, which, seriously short of land, needs high unit yields to feed its people, Li said.

So China has to encourage systems that facilitate scaled and efficient development of agriculture, Li said.

In fact, great leeway to readjust the system has been given in a Ministry of Agriculture document publicized in April. The document charts the government's future agricultural policies. The transfer of land use rights is encouraged. Other forms of land concentration also are allowed.

In actual practice, several new patterns have been developed.

The most populous one is the so-called "dual-land system," under which every farmer has his ration of land for food. The rest of the land, connected and smooth, is to be leased to people who are capable of scaled farming.

In some areas, farmers got the rights to dispose of the land they rent. They may, except for selling, lease the land again, join partnerships or shareholding collectives with it, and even lease it back to the land collective owner.

All the new patterns achieved great economic benefits. They also are recognized by the State so far as they do not counter the contract system, and as they are based on the free will of farmers, Li said.

He suggested the central government and local authorities do their best to help perfect the systems.

Right now, the key point is to allow transfer of the land use rights, so all production resources can be distributed economically and efficiently.

And to put as much land as possible into scaled use, favourable conditions should be created for farmers, so many will give up their land thoroughly and willingly.

The country also should accelerate establishing social security systems in the countryside and developing rural non-agricultural industries, Li said.

Ten Percent of Desert Land Brought Under Control
OW1406153495 Beijing XINHUA in English
1439 GMT 14 Jun 95

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — After four decades of efforts, China has put ten percent of its desert land under control a senior official of the Ministry of Forestry said here today.

The official, also director of the Desert Control Office under the ministry told XINHUA that China now has 1.533 million sq km of desert land, which takes up 15.9 percent of the country's total territory.

China has achieved such a good result thanks to its efforts in promoting scientific and technological advances and integrating scientific research with desert-control projects, he said.

The country began desert-control research in north China in the early 1950s. Equipped with about 100 world-advanced techniques, a group of research institutes have been set up since then.

Moreover, to promote the research by means of high-tech, the Ministry of Forestry has established the Desert Control Monitoring Center.

Ministry Calls For Cotton Bollworm Control

OW1406141595 Beijing XINHUA Domestic Service
in Chinese 0854 GMT 9 Jun 95

[By reporter Chao Wen (6872 2429)]

[FBIS Translated Text] Beijing, 9 Jun (XINHUA) — The Ministry of Agriculture recently notified all major cotton-producing areas in the country to take immediate actions to control the second-generation cotton bollworms so as to lay a foundation for reaping a good cotton harvest this year.

This year, cotton bollworms which have survived the winter will emerge in large amounts in northern China sooner than before. According to forecasts made by the nation's vegetation protection stations, the second-generation cotton bollworms will emerge en masse in some parts of central and southern Hebei, northwest Henan, and northwest Shandong, as well as in cotton-producing areas in northern Jiangsu and Anhui, eastern Shaanxi, and southern Shanxi; cotton bollworms will emerge fairly seriously in other cotton-producing areas in Hebei, Shandong, and Henan; and cotton bollworms will emerge moderately in some areas along central and lower reaches of the Chang Jiang. Nationally speaking, the situation will be noticeably more serious than that of last year as bollworm eggs will be incubated two to three days earlier than last year.

The Ministry of Agriculture stressed in its notification: All local authorities must reinforce the work of gathering bollworm information, properly investigate the bollworm situation in cotton fields, and take prompt actions to estimate the time and seriousness of bollworm incubation. Allotment of supplies needed for bollworm control — such as insecticide, sprayers, and diesel fuel — should be readily available. Governments at all levels must widely publicize the need of bollworm control, and all agricultural and vegetable protection departments should send technicians to the forefront of pest control to serve the peasants by helping them train controllers and providing technical guidance. Special attention should be given to thoroughly annihilating bollworms in selected areas. Currently, attention should be directed to annihilating bollworm larvae in harvested wheat fields, especially in wheat plots that divide cotton fields. Control efforts should be intensified in seriously infested areas, and special attention should be given to cotton plants which have already sprouted, and to the first-category cotton. To achieve better results in bollworm control, great efforts should be made to promote collective control and apply insecticide scientifically.

International Agriculture Expo Scheduled for Apr '96

OW1406150095 Beijing XINHUA in English
1429 GMT 14 Jun 95

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — Agro Expo China '96 will be held here April 16 to 20 next year.

At a press conference here today, Wu Yixia, vice-minister of agriculture, said that the exposition will be a trade-promotion event for introducing advanced overseas species of animals and plants, agricultural technology and equipment, and strengthening technical exchanges and economic co-operation with foreign countries.

Sponsored by the Ministry of Agriculture, the Agro Expo China is a comprehensive and large-scaled international agricultural exposition which is to be held on an regular basis.

Starting from 1990, the Agro Expo has been successfully held three times, once every two years.

Wu said that the Chinese government always stresses the importance of agricultural development, regarding agriculture as the basis for its national economic development, social stability and national self-reliance.

China has set an ambitious plan for the year 2000 that is to increase grain output by 50 billion kg, meat and aquatic products output by 10 million tons, respectively, and other agricultural products by large margins. Farmers' net income will reach 1,200 yuan by then.

To realize the above targets will largely depend on the progress of science and technology in addition to further reform, policy adjustments and increase of input, Wu said.

The State Council has issued the "Decision on Stimulating Science and Technology Progress", which called on all sections of the society to emphasize agrosience research and technical extension and to widely carry out international science and research co-operation and exchanges, and to actively introduce advanced agricultural technology and knowledge from other countries.

Hunan Reaping Bumper Spring Harvest

OW1406154795 Beijing XINHUA in English
1442 GMT 14 Jun 95

[FBIS Transcribed Text] Changsha, June 14 (XINHUA) — The spring harvest in central-south China's Hunan Province is seeing a better yield than last year.

Hunan's growing area for wheat, potatoes and beans is 335,600 hectares, the same as last year, but the total output is expected to be more than last year, according to a local official.

He said that because of a purchase price rise by the government, farmers have taken better care of the fields, and thus a better harvest is expected than last year.

He estimated that 665 million kg of wheat, potatoes and beans are expected to be harvested for spring crops, four percent over the figure for last year.

The harvesting of wheat and beans has already begun, while the harvesting of rape has finished.

On the more than 120,000 hectares under rapeseed, production increased by 45 kg per hectare.

An official said that the rapeseed will help enrich the edible oil market.

***Farmer Income Increases in First Quarter**

95CE0444A Chengdu SICHUAN JINGJI RIBAO
in Chinese 6 Jun 95 p 1

[FBIS Summary] In the first quarter of 1995, the per-capita cash income of farmers was 436 yuan, an increase of 125 yuan, or 40 percent over the same period in 1994. Deducting for inflation, the actual increase was 14 percent.

Central-South Region

Anti-Corruption Protesters Arrested in Guangzhou

HK1406140095 Hong Kong Television Broadcasts
Limited in English 1200 GMT 14 Jun 95

[From the "News at 8:00" program]

[FBIS Transcribed Text] At least four people have been detained in Guangzhou following an anticorruption protest. Authorities moved in to clear a rally by about 30 entrepreneurs outside the provincial government office. The demonstrators were complaining that officials were trying to charge them large sums to relocate their businesses. The rally had been peaceful until security officers moved in.

The protest came as ICAC [Independent Commission Against Corruption] commissioner Bertrand De Speville arrived in Guangzhou for talks about increasing anti-graft cooperation.

Guangzhou Announces Circuit Expressway Plan

OW1506094395 Beijing XINHUA in English
0804 GMT 15 Jun 95

[FBIS Transcribed Text] Beijing, June 15 (XINHUA) — South China's leading metropolis of Guangzhou is

to build a 41.9-kilometer circuit expressway to complete its round-city road network.

With an estimated investment of 2.53 billion yuan, the highway will be 32-meter wide and have a concrete surface. Its daily traffic volume is designed at 135,000 vehicles and the speed limit will be 120 km per hour.

The expressway joins the Guangzhou-Huadu expressway in the west, and the Guangzhou-Shenzhen-Zhuhai expressway in the east. Along the line, it crosses four national highways which extend to the city's urban area from the north. It is also connected with the special highway leading to the city's new international airport to be built at Benghu, the Beijing-Zhuhai expressway at Taihe, and the Guangzhou-Huidong expressway at Luogangshuixi.

Guangxi Statistical Report 1994

HK0606043095 Nanning GUANGXI RIBAO
in Chinese 22 Feb 95 p 2

[Communique issued by Guangxi Regional Statistics Bureau on 20 February 1995: "Statistical Report Issued By Guangxi Regional Statistics Bureau on National Economic and Social Development in 1994"]

[FBIS Translated Text] In 1994, under the leadership of the autonomous region's party committee and the autonomous region's government, the people of all nationalities throughout the region firmly implemented the principle of "taking hold of the opportunity, deepening reforms, opening wider to the outside world, encouraging development and maintaining stability" set down by the central authorities, and seriously implemented the state's various measures on strengthening macroeconomic regulation and control, actively promoted a series of major reforms, further expanded opening up, and successfully battled against huge natural disasters the likes of which had not been seen for nearly a century. Thereby, in a year of major floods, the region's national economy maintained quite swift growth, the various social undertakings saw overall and coordinated development, and the standard of living of urban and rural people saw continued and stable improvement. According to preliminary statistics, the region's GDP was 118.3 billion yuan, a growth of 13 percent on the previous year. In this, primary industry saw increased output of 33.4 billion yuan, or a growth of 3 percent. The output value of secondary industry grew by 44.7 billion yuan, or 23.8 percent, while tertiary industry's output value grew by 40.1 billion yuan or 11 percent. The major problems that existed were excessively high increases in consumer prices, a shortage of funds, large losses by enterprises, and a weak agricultural base.

1. Agriculture

The rural economy saw sustained and stable growth. In 1994, our region continued to deepen rural reform, further improved the output-linked household responsibility system and the dual level operational mechanism which combines centralized and decentralized operations, increased the degree of structural readjustment in agriculture, powerfully engaged in comprehensive development and grasped the various aspects of production restoration work following the natural disasters. This allowed agriculture and the rural economy to maintain stable overall growth. Over the year, agriculture, forestry, animal husbandry and fishery production saw added output value of 33.4 billion yuan, an increase of 3 percent over the previous year.

The planting industries were affected by the flood disasters, and grain, oil-bearing crops and tobacco all saw decline in output to varying degrees. Over the year, grain output volume was 13.9771 million tons, a decline of 971,000 tons or 6.5 percent as compared to the previous year. There were quite great increases in fruit and silkworm cocoon output, while tea and sugar cane saw small increases.

The output of major agricultural products was as follows:

Product	1994 (tons)	Increase or decrease as (tons) compared to previous year (%)
Grain	13.15 million	-7.6
Soya beans	255,700	8.2
Tuber crops	522,900	21.4
Oil crops	358,800	-2.7
Of which: peanuts	329,300	-3.7
Sweet cane	23.2045 million	0.7
Of which: Sugarcane	22.2001 million	0.9
Jute, hemp	15,700	-47.5
Cured tobacco	26,100	-53.2
Silkworm cocoons	23,600	40.2
Tea	20,400	6.6
Fruit	2.223 million	20.6

In forestry production, the Eighth Five-Year Plan program for forest creation and elimination of wasteland

was completed one year ahead of schedule. Over the year, the area newly afforested totaled 725,500 hectares, an increase of 7.7 percent over the previous year. Of the major forestry products, pine resin output was 241,900 tons, a decrease of 1.4 percent; tung-oil tree seed output was 49,500 tons, an increase of 7.3 percent; and tea-oil tree seed output was 98,000 tons, up 48.6 percent.

Animal husbandry and fishery products maintained strong growth. The output of major products was as below:

Product	1994	Increase or decrease as compared to previous Year (%)
Pork, beef and mutton	1.6438 million tons	23.8
Of which: Pork	1.5664 million tons	24.1
Milk	8,900 tons	-4.9
Pigs sent for slaughter	19.1486 million head	23.8
Pigs on hand at year-end	22.4450 million head	8.2
Large animals on hand at year-end	8.0433 million head	2.1
Sheep on hand at year-end	1.093 million head	11.9
Aquatic products output	761,600 tons	34.8
Of which: Marine	471,900 tons	35.5
Fresh-water	289,700 tons	33.7

Agricultural production conditions were further improved and at the end of the year the region had agricultural machinery with a total power of 10.114 billion kilowatts, up 7.7 percent on the previous year. Medium-sized and large tractors numbered 12,300, a reduction of 1 percent, while small tractors numbered 265,600, an increase of 3.4 percent. There were 22,700 trucks, up 16.3 percent. There was drainage machinery with a total power of 966 million kilowatts, an increase of 3.9 percent. The amount of chemical fertilizers (100 percent effective content equivalent) applied was 1.117 million tons, a growth of 5.9 percent. Rural consumption of electricity in the year was 2.077 billion kwh, an increase of 9.4 percent. The area of farmland with effective drainage was 1.4886 million hectares, up by 0.6 percent.

2. Industry and Construction

Industrial production maintained a quite swift growth. In 1994, our region stepped up the pace of enterprise reform; continued to transform enterprise operational mechanisms; actively readjusted the industrial structure and product mix; overcame the difficulties brought by funds shortages, increases in the prices of raw materials and the floods; and maintained quite rapid growth in industrial production. Over the year, the increase in output value of all industry was 38.2 billion yuan, up 25.2 percent on the previous year. Of this, the output of state-owned industry grew by 18.3 billion yuan, or an increase of 16.2 percent. The output value of collective industry grew by 730 million yuan, or 35 percent, while the output of other types of industry grew by 12.6 billion yuan, or 36 percent.

The output of major industrial products was as follows:

	1994	Increase or decrease as compared to previous year (%)
Chemical fibers	26,500 tons	40.7
Yarn	74,900 tons	-2.7
Cloth	17,300 meters	-15.1
Machine-made paper and cardboard	588,600 tons	15.8
Sugar	2.2128 million tons	-3.9
Cans	257,500 tons	-23.3
Beer	202,000 tons	15.6
Cigarettes	1.0134 million boxes	-5.6
Synthetic detergents	43,900 tons	2.1
Bicycles	1.0286 million	-19.4
Televisions	310,900	44.4
Of which: color	54,400	13.6
Home refrigerators	1,139	-50.4
Electric fans	981,800	79.2
Raw coal	11.55 million tons	-3.4
Electricity	18.6 billion kwh	6.6
Of which: hydroelectricity	11.46 billion kwh	13.7
Thermal power	7.14 billion kwh	-3.1

	1994	Increase or decrease as compared to previous year (%)
Pig iron	852,200 tons	8.4
Steel	789,100 tons	-4.0
Rolled steel	844,300 tons	15.5
Ten types of non-ferrous metals	164,900 tons	-2.4
Cement	16.9924 million tons	18.9
Timber	1.9836 million cubic meters	4.0
Sulphuric Acid	430,200 tons	7.6
Soda Ash	78,100 tons	9.0
Chemical fertilizers (100% effective content equivalent)	446,000 tons	7.2
Tires and tire covers	1.4096 million	14.7
Plate glass	2.1562 million cases	13.7
Machine tools	3390	-40.1
Motor vehicles	70,200	32.9
Small tractors	19,200	8.7

The economic benefits of industry saw a turn for the better. In 1994, industrial enterprises took the market as their guide to develop "internal strength." They readjusted product mixes, stressed new generations of products, tightly grasped the work of restricting production and clearing stockpiled products by promoting sales, and put efforts into reversing losses and increasing profits, thereby bringing improvement to the economic performance of enterprises. The comprehensive economic performance index for all independently accounting enterprises throughout the region was 101.7.

The sales rate for industrial products was 95.6 percent, the profit and tax rate on funds was 10.6 percent, while the cost profit rate was 5.9 percent. The turnover rate of circulating funds was 1.7 times, the industrial added value rate was 33.8 percent, while the labor productivity of all staff and workers (calculated on the basis of added value) was 19,232 yuan. However, some enterprises experienced difficulties in their operations and the range of enterprise losses was still quite great.

Construction continued to see swift development. Over the year, state-owned construction enterprises completed projects with additional value of 1.7 billion yuan, a

growth of 32.5 percent on the previous year. The floor area of housing construction commenced was 9.425 million square meters, a growth of 19.2 percent. The floor area of housing completed was 2.968 million square meters, up 25.9 percent. The labor productivity of all staff and workers was 36,845 yuan, 26.3 percent up on the previous year.

3. Investment in Fixed Assets

Investment in fixed assets maintained appropriate growth. In 1994, under state macroeconomic regulation and control, the growth in our region's fixed asset investment saw a notable decline, but the amount of investment completed continued to grow. Over the year, total social fixed asset investment was 35.274 billion yuan, up 26.8 percent over the previous year. Of this, investment by state-owned units was 23.367 billion yuan, up 38 percent; that of collective units was 3.985 billion yuan, up 5.3 percent; while that of individuals in urban and rural areas was 7.922 billion yuan, up 118.7 percent. New projects initiated by state-owned units totaled 3,535, an increase of 339 over the previous year. Of these projects, 131 involved investment of 5 million yuan or above. The total scale of projects under construction by state-owned units was 66.486 billion yuan, an increase of 48.7 percent as compared to the previous year.

The investment structure was improved. Of the investment by state-owned units over the year, capital construction investment totaled 13.611 billion yuan, up 32 percent over the previous year. The investment in technical innovation and transformation projects totaled 6.293 billion yuan, up by 33 percent. Investment in housing totaled 3.087 billion yuan, a growth of 90.8 percent. Other investment totaled 376 million yuan, up 38.2 percent. Seen from the industrial structure, investment in primary industry was 235 million yuan, down 19.4 percent. Its proportion in total investment fell to 1 percent from 1.7 percent in the previous year. Investment in secondary industry was 11.112 billion yuan, a growth of 35.7 percent, with its proportion in total investment falling from 48.4 percent to 47.6 percent. In this, investment in the energy industries was 3.047 billion yuan, a growth of 83.2 percent, while that in raw and semi-finished materials industries was 1.874 billion yuan, a decline of 24.7 percent. Investment in tertiary industry totaled 12.020 billion yuan, an increase of 42.1 percent, and its proportion in overall investment grew from 49.9 percent to 51.4 percent. In this, investment in transport and posts and telecommunications was 3.9 billion yuan, 67.1 percent up on the previous year.

The construction of key projects saw smooth progress. Over the year, five medium-sized or large capital con-

struction projects were completed and put into production, four medium-size or large other individual projects were completed, while four above-norm transformation projects were completed. The key capital construction projects which were partly or entirely completed and put into production were: the Yantan Hydroelectricity Plant No 3 generator set; the Tianshengqiao Class 1 Hydroelectricity Plant No 3 generator set; the Shaoping Hydroelectricity Plant No 1 and No 2 generator sets; the Liuzhou Thermal Power Plant No 1 generator set; the Panxian Thermal Power Plant (joint venture) No 1 and No 2 generator sets; a part of the Pingguo County Aluminum Plant's First Stage electrolytic aluminum project; the Changzhoudao Airport at Wuzhou; the Bailian Airport at Liuzhou; the Lutang Paper Plant; and the Tiandong No 2 Sugar Plant.

Newly added production capacity provided through capital construction and transformation projects by state-owned units this year included: Electricity generating capacity of 909,200 kilowatts (including trans-provincial electricity projects); port handling capacity of 1.3 million tons; 57,000 tons of electrolytic aluminium; and 41,600 [as published] long-distance telephone lines.

4. Transport, Posts and Telecommunications

New progress was achieved in transport, posts and telecommunications. Over the year, newly added value totaled 7.73 billion yuan (including storehouses), up 12.5 percent over the previous year.

The volume of freight transported and the number of passengers transported both grew by different amounts.

The volume of transportation by various means was as follows:

	1994	Increase or decrease as compared to previous year (%)
Volume of freight	62.877 million tons	4.4
Freight transport	42.57 billion ton-km	7.6
Of which: railways	33.73 billion ton-km	4.2
Highways	700 million ton-km	1.1
Waterways	7.4 million ton-km	17.5
Number of passengers	123 million	-1.1
Passenger transport	18.68 billion person-km	5.3

	1994	Increase or decrease as compared to previous year (%)
Of which: railways	11.77 billion person-km	6.2
Highways	6.55 billion person-km	6.9
Waterways	290 million person-km	-39.6
Volume of freight handled by the seven open ports	13.89 million tons	-0.3

Posts and telecommunications grew further to reach a new level. Newly added capacity for urban telephone switchboards totaled 326,000 lines, and the total volume of posts and telecommunications business was 1.3 billion yuan, an increase of 70.5 percent over the previous year. This brought Guangxi into the middle advanced ranks of national posts and telecommunications services.

Domestic Trade and Market Prices

The domestic market remained brisk and stable. The total retail sales of consumer goods in 1994 was 41.017 billion yuan, up 27.2 percent over the previous year. Excluding price rise factors, the actual increase was 2.7 percent. In this, urban sales were 18.568 billion yuan, while rural sales were 12.042 billion yuan. After excluding price rise factors, these figures represented growth of 3.2 percent and 6.7 percent respectively. Sales in county seats totaled 10.407 billion yuan, a decline of 2.6 percent.

Retail sales of consumer goods under the various economic types saw stable growth. Retail sales of consumer goods by the state-owned economy totaled 13.361 billion yuan, a growth of 18.7 percent on the previous year. This constituted 32.6 percent of total consumer retail sales. The collective economy saw sales of 6.273 billion yuan, up 22.6 percent. This constituted 15.3 percent of total sales. The various other economic types saw sales of 20.357 billion yuan, up 29 percent. This constituted 49.6 percent of total sales. Of the other economic types, the retail sales of private operators totaled 991 million yuan, a growth of 19.6 times over the previous year.

Purchases and sales in the means of production market saw a weakening. The materials supply and marketing enterprises throughout the region purchased means of production to a total value of 11.14 billion yuan, down

25.5 percent on the previous year. Sales totaled 13.45 billion yuan, down 11.7 percent.

Price rises remained high. In 1994, because of state policy- nature price adjustments, cost-push factors, and the influence of the floods, the price of goods shot up for a time. However, after the implementation of state macroeconomic regulation and control measures, some control was realized over price rises, but they were still quite high.

The changes in the various types of prices in 1994 as compared to the previous year were as follows:

1. Consumer Price Index	126.0
Of which: urban	125.4
Rural	126.5
Of which: service items price Index	129.2
Urban	124.9
Rural	133.4
2. Retail Price Index	123.9
Of which: urban	122.7
Rural	124.5
Of which: food items	134.2
Grain	158.5
Oils and fats	145.5
Meat, poultry and eggs	127.9
Aquatic products	121.2
Fresh vegetables	137.2
Clothing and shoes	124.0
Textile products	114.8
Daily-use products	113.1
Agricultural means of production	118.1
3. Raw Materials, Fuel and Power Purchase Price Index	117.8
4. Industrial Product Ex-Factory Price Index	118.8
5. Fixed Asset Investment Price Index	112.3
6. Agricultural and Sideline Product Purchase Price Index	120.0

6. Foreign Economic Relations

In foreign trade, the total volume of imports and exports saw continuing growth. The total value of import and export trade in 1994 was \$2.37 billion, up 14.1 percent on the previous year. Of this, the total value of exports was \$1.602 billion, up 20.9 percent, while the total value of imports was \$768 million, up 5.8 percent. Exports by the three types of wholly or partly foreign-funded enterprises totaled \$214 million, up 47.7 percent. New changes occurred in the export commodity structure: Exports of manufactured industrial goods totaled 1.171 billion yuan [currency unit as published], representing 73.1 percent of total exports, up from 70.5 percent in the previous year. The proportion which primary product exports constituted in total exports fell from 29.5 percent to 26.9 percent.

Actual utilization of foreign capital saw growth. In 1994, the region actually utilized foreign capital amounting to \$1.047 billion, up 13.3 percent. Over the year, contracts for 996 new projects involving direct investment by foreign businesses were signed, a reduction of 59.8 percent as compared to the previous year. The agreed direct investment by foreign businesses totaled \$1.505 billion, a reduction of 60.5 percent.

There was a great increase in earnings from international tourism. Over the year, the region received 438,100 tourists, a decline of 15.2 percent as compared to the previous year. However, due to a variety of measures, and improvement in service quality, earnings from tourism reached 1.027 billion yuan, double the figure in the previous year.

7. Population and the Livelihood of the Urban and Rural Populace

The degree of population increase was controlled. According to a sample survey of population changes, in 1994 the birth rate was 18.8 per thousand, while the death rate was 6.6 per thousand. Thus the natural growth rate was 12.2 per thousand, 1.8 per thousand lower than the control target. According to estimates, at the end of 1994 the population of the region was 44.93 million, an increase of 550,000 as compared to the end of the previous year.

The standard of living of both the urban and rural people saw an improvement. According to a sample survey, in 1994, the average per-capita living expenditure income of urban residents throughout the region was 3,560 yuan [as published], 36.3 percent up on the previous year's figure. Excluding price rise factors, the actual increase was 3.6 percent. The main reasons the income of rural residents continued to rise in a year of great natural disasters were that the comprehensive devel-

opment of agriculture and structural readjustment realized achievements, labor exports increased, the counter-disaster measures were handled efficiently, and so on. However, the income increases of the staff and workers in some low-efficiency enterprises were quite slow, while the floods resulted in the income of the residents of some villages falling, resulting in a decline in their standard of living.

The housing conditions of urban and rural residents were improved. In 1994, urban residential construction with a floor area of 8.97 million square meters was completed, while in the rural areas residential construction with a floor area of 33.05 million square meters was completed. These figures were respectively 12.5 percent and 1.7 times up on the figures in the previous year.

Employment and social security systems saw continued improvement. The scope of old age and unemployment insurance for urban staff and workers saw further expansion. Over the year, employment was newly arranged for 201,000 persons and at the end of the year the urban unemployment rate was 2.4 percent, a decline of 0.5 percent as compared to the previous year. The number of staff members and workers from urban enterprises for whom overall insurance has been arranged has increased, with 1.439 million staff members and workers participating in overall social insurance.

The numbers of workers under the various ownership systems saw new changes, while actual wages saw a small increase. At the end of 1994, the number of staff members and workers throughout the region was 3.405 million, a decline of 41,000 as compared to the previous year. Of this number, staff and workers in state-owned units totaled 2.823 million, a reduction of 51,000 persons. The staff and workers in collective units totaled 478,000 persons, a decline of 6,000 persons. The staff and workers in units of other economic types numbered 104,000, an increase of 16,000 persons. Urban individual laborers numbered 431,000, an increase of 17.7 percent. Over the year, total wages of staff and workers amounted to 14.24 billion yuan, an increase of 34.2 percent over the previous year. The average money wages of the staff and workers was 4,251 yuan, an increase of 32.8 percent. Excluding price increase factors, the actual increase was 5.9 percent.

While undergoing reform, the finance industry saw stable development. At the end of 1994, the balance of deposits in financial organs was 90.713 billion yuan, 36.8 percent up on the end of the previous year. Of these, enterprise deposits totaled 27.724 billion yuan, a growth of 35 percent, while individuals savings deposits totaled 56.946 billion yuan, up 40 percent. The outstanding balance of loans at the end of the year was

83.406 billion yuan, an increase of 25.2 percent on the previous year. Of this, long-term credit totaled 21.917 billion yuan, a growth of 16.9 percent.

The insurance industry played an important guarantee role in economic construction. In 1994, the total amount underwritten was 191.8 billion yuan, up 30.7 percent on the previous year. Of this, property insurance totaled 142 billion yuan, up 21.8 percent. The region had 13,176 enterprises participating in enterprise property insurance, while 3.9 million households have taken out household insurance. A total of 12.93 million individuals had also taken out some sort of personal insurance. The insurance companies jointly handled 180,300 domestic claims of insured property compensation, and paid out 680 million yuan in compensation. They also paid out a total of 227 million yuan for 758,000 personal claims. For flood compensation, they paid out 350 million yuan.

Social welfare work saw continued development. At the end of 1994, there were 8,627 beds in social welfare institutions of various types, with 5,928 occupants. A total of 9.288 million persons in urban and rural areas received various types of relief funds. Of these, 5.2 million people received disaster relief totaling 183 million yuan.

8. Science, Education, Culture, Public Health and Sports

Marked achievements were realized in scientific and technological research. In 1994, 363 of the region's scientific and technological achievements were registered at the provincial/ministerial level or above. Of these, four were of advanced international standard, 14 were firsts within the country, 175 were of advanced national standard, 100 were firsts within the region, and 70 were advanced achievements within the region. Achievements which were awarded autonomous region progress awards numbered 212, while patents were awarded to 631 achievements. Over the year, 924 technological contracts of various types were signed, involving funds totaling 135.43 million yuan. The major scientific and technological achievements of the region over the year included: Selection and application of a new strain of silkworm mulberry, named "Liang-guang No 2" for use in summer and autumn; research on the B26-T1200 low-toxicity Avine Bacillus Pasturinus; development of the 36.00-51-58PR giant tubeless engineering tyre; and research on new methods and applications for geophysical prospecting on land and sea.

The scientific and technological contingent has been continually strengthened. At the end of the year, state-owned enterprise and institutional units had a total of

679,800 specialized technicians, an increase of 18,600 persons as compared to the end of the previous year.

Education continued to develop. In 1994, a total of 285 research students were enrolled, up 14.9 percent on the previous year. The ordinary tertiary institutions enrolled 19,303 undergraduate and specialized students, a reduction of 1.1 percent. There were 250,700 students schooling in various types of vocational and technical middle schools (including the students of technical colleges), a reduction of 28.9 percent as compared to the previous year. At the end of the year, there were 1.5612 million students studying in junior middle schools, while there were 6.3162 million students studying in primary schools. These figures represented growth of 8.3 percent and 3.4 percent respectively. "Project Hope" achieved results, with 98.2 percent of 7 to 11 year olds entering primary schools, and a primary school student retention rate of 97.6 percent.

New achievements were realized in cultural achievements. At the end of the year, there were 119 artistic and performing troupes, 99 libraries, 96 cultural halls and 3,967 film projection teams which put on 602,500 film shows for 146 million people. Seven films were produced, there were 17 television stations and 20 radio stations. Throughout the year, 270.47 million newspapers were published, 41.89 million magazines of various types and 230 million books under 2,781 titles.

Public health facilities were continually improved. At the end of the year, there were 77,400 hospital beds, 10,000 up on last year, or a growth of 1.3 percent [all figures as published]. There were 113,400 specialized health personnel, 2.4 percent up on last year. Of these, 51,900 were doctors (including senior doctors of traditional Chinese medicine and western medicine) and 34,800 were senior nurses or nurses, an increase of 1,100 persons up on last year.

Good achievements were again realized in sports. Athletes from our region performed well in international events, winning 32 gold medals and 16 silver or bronze medals. The outstanding athlete Mo Huilan [5459 1979 5695] won five gold medals at the 12th Asian Games. Our athletes set three Asian records, broke five national records, and won 99 gold, silver, and bronze medals in major domestic competitions.

Notes:

1. The published figures in this communique are preliminary annual report figures.
2. GDP figures and value-added figures are calculated at current prices. Growth figures are calculated based on comparable figures.

3. In accordance with the stipulation of the State Statistical Bureau, gross output value has been omitted from statistical communiques since 1992.

Hubei TV Station Closed for Mourning Criminals

*HK1406125395 Hong Kong AFP in English
1004 GMT 14 Jun 95*

[FBIS Transcribed Text] Shanghai, June 14 (AFP)—A television station in central Hubei province was shut down recently and its head dismissed for running a song request programme as a memorial for two executed criminals, a newspaper reported Wednesday. The Xinmin Evening News daily reported that the families of grave robbers Guo Xiaohua and Li Hua made a request to the station in Jinzhou city last month to play the executed men's favourite songs for three days. The two, together with another man, Li Lixin, were executed May 23 after creating a sensation throughout the country for robbing graves for historical relics.

The station charged 160 yuan (19 dollars) for the memorial programme and even aired portraits of the executed men. When China Central Television showed the sentencing of the criminals at around the same time, viewers who watched both programmes called up the Jinzhou Broadcasting Bureau on May 30 to complain. The bureau has ordered the closure of the television station and dismissed its head from his job, the report said.

Southwest Region

Tibet Achieves Key Economic Reforms

*HK1506082595 Beijing ZHONGGUO XINWEN SHE
in Chinese 0843 GMT 14 Apr 95*

[FBIS Translated Text] Lhasa, 14 Apr (ZHONGGUO XINWEN SHE)—In the reform of state-owned enterprises, taxation, investment, foreign trade, distribution, social security, and public housing the Tibet Autonomous Region made new progress last year and took a key step forward in establishing a socialist market economy system.

In the reform of enterprises, Tibet focused on linking pay to efficiency, clearly defining property rights, and improving the external conditions for enterprises. Governments at various levels adjusted their functions, reduced the burden on enterprises, and gave them autonomy in managing their affairs, thus creating a favorable environment for their development. Among the 531 enterprises which had registered their property rights in the Tibet Autonomous Region, 62.21 percent made a profit last year. Within enterprises, the replacing of the old system by the new had been a stable process.

In taxation reform, Tibet adopted a circulating tax system based on value-added tax, imposed a new personal income tax, and expanded the scope of liability for some forms of tax. The new tax system was being implemented in stages. The Tibet Autonomous Region collected taxes amounting to 259 million yuan last year. Government revenue amounted to 139 million yuan.

There are at present 33,800 small businesses engaging in industry or commerce in Tibet and their registered capital totaled 154 million yuan. Last year the retail sales figure for consumer goods amounted to 2.25 billion yuan, an increase of 16.7 percent over the previous year.

In the reform of its foreign trade system, Tibet speeded up the improvements to the operating mechanisms of enterprises engaged in foreign trade, and carried out internal reforms with the aim of forming groups of companies. The import and export value of Tibet's foreign trade amounted to \$357 million, an increase of 2.5 times over the previous year.

Progress was also made in the reform of the system of fixed assets investment and of the management of infrastructures. Tibet established a mechanism to restrain investment risk, and exerted macro regulation and control on the scope of investment. It also carried out reforms in methods of management, fully opened up the architectural design market, and implemented a tendering system. Last year Tibet invested 2.025 billion yuan in fixed assets, and the project completion rate was a high 90 percent.

In reforming its social security system, Tibet placed all staff of state-owned enterprises as well as all workers in state organizations and institutions under the cover of the general fund. The ratio of the fund has been raised from 20 to 25 percent. With the Tibet Autonomous Region assuming the overall planning for old age pensions, the regulating function was enhanced.

Consumer's Market Prosperous in Tibet

*OW1506101195 Beijing XINHUA in English
0617 GMT 15 Jun 95*

[FBIS Transcribed Text] Lhasa, June 15 (XINHUA) — The Tibet Autonomous Region in southwest China has witnessed a booming consumer market this year with good management of local commercial departments.

Figures from the Regional Administration for Industry and Commerce show that during the first five months of the year, the total sales volume of retail products in Tibet reached one billion yuan (about 120 million US dollars), up by 27 percent over the same period last year.

Meanwhile, the sales volume in Lhasa, capital city of Tibet, reached 200 million yuan, increasing by 30 percent over last year.

Local officials said that administrations for industry and commerce at various levels have strengthened supervision and examination on the quality, price and hygiene of consumer products.

To better protect interests of consumers, commercial departments in the region confiscated 56 types of fake and shoddy products worth 650,000 yuan this year, and cracked down a number of plants turning out such shoddy goods.

Religious Festival Celebrated in Lhasa

OW1306161295 *Beijing XINHUA in English*
1532 GMT 13 Jun 95

[FBIS Transcribed Text] Lhasa, June 13 (XINHUA) — Some 100,000 Tibetans thronged the streets of this capital of the Tibet Autonomous Region from all parts of the region and neighboring provinces as well to pay homage to Buddha.

Today is the 15th day of the fourth month by the Tibetan calendar, the anniversary of the birth and achievement of nirvana of the Buddha, Sakyamuni.

Pious Buddhists began praying along three special holy routes at nine o'clock this morning. Some of them had covered hundreds of miles to come to the city just for this occasion.

At five o'clock this afternoon the celebration reached its climax. Some residents of Lhasa joined the crowd to celebrate the traditional festival after they finished work.

They not only expressed their gratitude to the Buddha for the happy religious life they are enjoying but also prayed for a bumper harvest.

North Region

Beijing Court Work Report

SK1406114495 *Beijing BEIJING RIBAO in Chinese*
9 Mar 95 p 2

["Excerpts" of speech given by Cheng Liangang, president of the Beijing Municipal Higher People's Court, on the work of the Beijing Municipal Higher People's Court to the third session of the tenth municipal people's congress on 25 February]

[FBIS Translated Text] Now I would like to report on the main tasks of the courts at all levels in 1994 and the work priorities in 1995 to this session for discussion.

The Main Tasks for the Year 1994

During the year 1994, the courts at all levels acted in close connection with the general tasks of the party and state; conscientiously carried out the work principles defined by the Beijing Municipal CPC Committee and the resolutions of the second session of the eighth people's congress on the work report of courts; acted in line with the demand of the Supreme People's Court on prevalently carrying out the activities of "landing stern blows on crimes," achieving good results in handling major and serious cases, making big progress in regulating economic relation, and comprehensively enhancing judicial level; worked with all their energy; and made due contribution for safeguarding the stability of the capital, guaranteeing reform and opening up, promoting economic development, protecting the legitimate rights and interests of citizens and legal persons, and strengthening the building of the legal system. During last year, the courts at all levels accepted and heard 82,576 criminal, economic, civil, and administrative cases, and under the situation in which the number of cases accepted continued to grow, the cases accepted increased by 18.5 percent compared with 69,685 cases accepted and heard during the year 1993. A total of 81,557 cases were concluded, up 16.1 percent over the previous year; and the rate of concluding cases was 98.77 percent. The courts at all levels fairly accomplished the tasks entrusted by the party and people.

I. We devoted great efforts to doing a good job in various judicial tasks in an effort to serve the capital's reform, development, and stability.

During the year 1994, the courts at all levels in Beijing gave full play to the overall function in judicial work, devoted great efforts to safeguarding the capital's stability, and served reform, opening up, and economic development.

1. We persisted in giving "three serious punishments" in an effort to serve the goal of creating good social environment for reform, opening up, and economic development.

In 1994, the courts at all levels upheld the principle of "giving stern and quick blows" to crimes and severely dealt with criminals who seriously endangered public security. During the year, a total of 14,224 convicts involved with various criminal cases were sentenced. Of the 11,200 criminals whose verdicts went into legal effect, there were 5,818 criminals involved with the crimes of seriously endangering public security, such as murder, robbery, rape, and stealing, up 18.27 percent over the previous year; and 3,490 criminals were sentenced to more than five years of imprisonment, life imprisonment, or capital punishment, accounting

for 55.99 percent. In order to guarantee the smooth progress of some major activities in Beijing, in view of some prominent criminal behaviors, the courts at all levels cooperated with relevant departments to carry out specific struggles across the municipality at the right moment, and seriously punished a number of criminals who seriously endangered the capital's public security. In 1994, the courts at all levels held a total of 172 sentence meetings and declared criminal facts and sentence results to 402 cases involved with 891 criminals. As many as 237,300 people participated in the sentence meetings as observers. This greatly strengthened the struggle of giving stern blows to the crimes of seriously endangering public security.

In 1994, the courts at all levels continuously regarded severely dealing with serious economic crimes as the major task, relentlessly grasped the work of trying major and serious cases, and added impetus to cracking down on serious economic crimes. During the year, a total of 4,172 economic criminals were sentenced, up 52.87 percent over the previous year. Of the 3,121 criminals whose verdicts went into legal effect, 1,448 criminals were sentenced to more than five year's imprisonment, life imprisonment, or life sentence, accounting for 46.4 percent of the total economic criminals. Of the condemned criminals involved with the crimes of corruption, bribery, and misappropriation of public funds, there were 247 state functionaries, of which, one was the cadre at the deputy head level, 6 were the cadres at the department and bureau level, and 6 were the cadres at the section level. The courts resolutely gave serious punishment to the criminals for taking advantage of their position and power to seek personal gain and seriously undermining the reputation of the party and state. The severe punishment of serious economic criminals, especially the corrupt elements, not only stated clearly the decision of the party and state in fighting against corruption and advocating the clean politics, but also gave impetus to deeply carrying out the anticorruption struggle.

In 1994, the courts at all levels cooperated with relevant departments to carry out specific struggles against the crimes of forging invoices, especially the invoices for value-added taxes, and reselling them at a higher profit. During the year, we accepted and heard 43 cases involving 67 people who allegedly forged invoices, of which, there were 15 cases involved the resale of these regular invoices at a higher profit and 28 cases involved with reselling the invoices for value-added taxes at the higher profit. Of the 67 condemned criminals, 22 were given more than five years' imprisonment, accounting for 32.8 percent. During the year, in line with the principle of giving stern blows to crimes, the courts at

all levels resolutely punished the serious criminals who were exposed and denounced in the specific struggles of cracking down on "fake products," "pornography," and "illegal publication" and the criminals involved with illegally and excessively felling forest trees.

2. We strengthened the work of trying economic cases in an effort to serve the goal of establishing the unified, open, competitive, and orderly big market.

In 1994, the courts at all levels across the municipality persisted in serving economic construction, provided a judicial guarantee for establishing the socialist market economic system, paid simultaneous attention to trying economic cases and cracking down on criminal crimes, actively tried economic dispute cases emerging in the production and circulation of commodities, and safeguarded the normal order of the market. During the year, we accepted and heard 11,259 economic dispute cases, up 41.2 percent over the previous year; and concluded 10,776 cases, up 36.2 percent over the previous year. Of the concluded 9,686 economic dispute cases through the first trial, the amount of money involved in the dispute cases totalled 4.49 billion yuan, up 166 percent over the previous year. The rulings of quite a few economic dispute cases were immediately executed after the cases were concluded. Of the 3,694 cases which the persons concerned apply for execution, the judicial personnel overcame various difficulties and executed the rulings of 2,967 cases. The amount of money involved in the execution totalled 468 million yuan, and the execution rate was 80.3 percent. Through the trials and executions of economic dispute cases, the legitimate rights and interests of the persons concerned were protected; the order of the market economy was safeguarded; and the capital's reform, opening up, economic development, and social stability were promoted.

In view of the failure last year to try economic dispute cases in a timely manner, as reflected by the masses, we firmly grasped the work of clearing up the cases which had not been concluded. Consequently, the cases which had not been concluded for over a year dropped from 120 at the beginning of the year to 29. During last year, the rate of concluding economic dispute cases through the first trial within the time limit was 90.2 percent, up 5 percentage points over the previous year, of which, the cases concluded in three months accounted for 74.8 percent of the total. Under the situation of arduous work and excessive operating load, the broad masses of judicial personnel made earnest effort to do solid work, worked extra shifts and hours, and strived to successfully handle cases. As a result, the average per capita rate of concluding cases was enhanced year by year, and the average per capita rate of concluding

cases during the year 1994 increased by 24.2 percent over the previous year.

3. We applied sanctions against various law-breaking behaviors of infringements upon intellectual property rights in an effort to strengthen judicial protection of intellectual property rights.

In 1994, in line with the Trademark Law, the Patent Law, the Copyright Law, the Law Against Unfair Competition, and the international treaties which our state participated in or concluded regarding intellectual property rights, the courts at all levels across the municipality continuously strengthened judicial protection for intellectual property rights. During the year, a total of 185 intellectual property right cases involving patent rights, the trademark rights, the copyrights, technical contracts, and unfair competition, were concluded. The impartial judgment of the people's courts effectively protected the legitimate rights and interests of the intellectual property right owners. For example, the Beijing Jiaguwen Software Limited Company brought a suit against the Beijing Julong Computer Company on the grounds that the Julong Company illegally copied a large amount of Jiaguwen Company's software, sold the software at the lower price, or contracted relevant projects so as to harm the interests and undermine the reputation of the Jiaguwen Company. The municipal intermediate people's court promptly tried the case in line with the law, and impartially adjudicated upon the case. This embodied the positive effort of the Chinese judicial organs in protecting the legitimate rights and interests of the intellectual property right owners, won the respect of some foreign personnel of the Beijing Jiaguwen Software Limited Company for the Chinese legal and judicial personnel, and guaranteed the justice and seriousness of PRC law.

4. We properly handled civil disputes in an effort to protect the personal and property rights of citizens in line with the law.

In 1994, the courts at all levels across the municipality accepted and heard 43,982 civil cases, accounting for 53.26 percent of the total cases accepted and heard during the year; and concluded 43,909 cases, up 14.7 percent over the previous year.

Divorce cases had a bearing on the stability of the family, which is the basic cell of society. The number of divorces ranked first in various civil cases, and divorce cases was the priority in the handling of civil cases. In 1994, the courts at all levels across the municipality accepted and heard 20,344 divorce cases through the first trial, accounting for 50.9 percent of the 39,967 concluded civil cases through the first trial. In the course of trying divorce cases, the courts at all levels paid

attention to the following two points: 1) Effort was made to precisely draw a clear definition of divorce. 2) Effort was made to properly handle the issue of separating the property of couples and assigning the rights to housing in line with the length of marriage, the actual need in living and production, the source and number of houses, the Marriage Law, the Law for Protecting the Rights and Interests of Women, and relevant judicial explanations. Along with the in-depth reform of the system of hiring workers and of the wage and insurance systems in enterprises, labor dispute cases rapidly increased. In 1994, courts at all levels across the municipality accepted and heard 94 labor dispute cases, an increase of 6.2 times over the 13 cases of the previous year. A total of 77 labor dispute cases were concluded, an increase of 9.6 times over the 8 cases concluded in the previous year. Along with the rapid development of the real estate industries, the real estate dispute cases significantly increased. During the year, the courts at all levels across the municipality accepted and heard 3,002 real estate cases, increasing by 197.2 percent over the 1,010 cases of the previous year. A total of 2,989 real estate cases were concluded, and the rate of concluding cases was 99.5 percent.

5. We gave full play to the functional role in trying administrative cases in an effort to safeguard and supervise administrative organs to exercise administrative functions and powers in line with the law.

Protecting the legitimate rights and interests of citizens as well as safeguarding and supervising administrative organs to perform administration in line with the law are not only the important functions of the people's courts but also the effective guarantee for the smooth progress of managing the municipality in line with the law. During the year 1994, the courts at all levels across the municipality concluded 495 administrative cases, up 27.6 percent over the previous year. Of the concluded 264 administrative cases through the first trial, 78 cases involved with safeguarding the handling and decision of administrative organs in line with the law and 125 cases involved with withdrawing charges by the plaintiff accounted for 76.9 percent of the total. There were 35 cases involved with rescinding the handling and decision of administrative organs in line with the law, accounting for 13.3 percent of the total. The people's courts safeguarded the legal decisions of administrative organs in line with the law and rescinded law-breaking administrative decisions. This not only supported the legal administrative behaviors of administrative organs and protected the legitimate rights and interests of citizens but also provided the effective guarantee for managing the municipality in line with the law.

II. We strengthened the contingent construction and unceasingly enhanced the political and professional quality of the contingent in an effort to meet the demand of the arduous judicial task.

In order to persist in strictly enforcing the law and correctly exercise the judicial right, we should strive to build the courts in the capital into the most impartial, reasonable, and honest ones. During the year 1994, in strengthening the contingent construction, we paid attention to the following four tasks.

A. We strengthened study, education, and training.

In line with the demands of central authorities and the municipal party committee, the courts at all levels across the municipality organized cadres and policemen to study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics step-by-step in a planned way. Through study, the cadres and policemen strengthened the communist conviction, enhanced the consciousness of upholding the party's basic line, conscientiously carried out the party's various principles and policies, and adhered to the purpose of serving the people wholeheartedly. We adopted various forms to strengthen positive education; devoted great efforts to propagating the advanced units; and encouraged healthy trends in an effort to make the broad masses of cadres and policemen further establish the correct outlooks on life and value as well as strengthen the consciousness of making selfless dedication for the party and people. In order to adapt to the new situation that the new laws and regulations were constantly promulgated in the course of establishing the socialist market economic system, we trained the judicial personnel through the forms of holding the short-term classes for studying the new laws and regulations, inviting specialists to give lessons, and holding special lectures in an effort to enhance the professional quality of the judicial personnel.

B. We strengthened the building of the ideology and work style of the leading bodies of the courts at all levels.

The key to strengthening the construction of leading bodies lies in the "top leaders." After the change-of-term elections of the presidents of 18 district and county courts across the municipality, we held the municipal forum on the presidents of the courts at three levels, and paid attention to the issue of how to carry out the important tasks entrusted by the people during the five-year tenure and how to be a good president of the court under the situation of establishing the socialist market economic system and promoting reform and opening up. Through study and discussion, the presidents of courts at all levels across the municipality reached common understanding and decision in some major issues and

took action in the following aspects. 1) Effort was made to conscientiously study the theory of building socialism with Chinese characteristics; strive to enhance the political quality, exercise strict self-discipline, and take the lead in setting an example. 2) Effort was made to establish the firm capital sense, set high standards and demands, successfully carry out various tasks, and serve the capital's stability, reform, opening up, and economic development. 3) Effort was made to emancipate the mind, heighten the spirit, blaze new trails, and advance in pioneering spirit. 4) The courts at all levels devoted great efforts to training a cadre contingent with strong political sense, proficient professional ability, and an upright work style.

C. We set and started to try out the standard for handling various cases.

In order to make the judicial personnel strictly enforce the law and the cases handled by them able to stand the test of history, in the whole process of accepting, hearing, until concluding cases, we should have a set of rules of operation for handling various cases. During the first half of the year 1994, in line with the law and judicial explanation, the Tianjin Municipal Higher People's Court summarized the practical experiences of the courts at all levels across the municipality and set the standard for handling the criminal, civil, economic, administrative, and executive cases. In setting norms for handling cases, we paid attention to resolving the following issues. 1) We set clear standards for filing various cases for investigation and prosecution in an effort to resolve the situation that the masses had difficulty in "lodging a complaint" and to protect the lawsuit right of the persons concerned. 2) We defined the duties incumbent on the collegiate bench, the presiding judge, the president of the law, and the judicial committee; carried out democratic centralism in the judicial work; and prevented few people from having their final say in an effort to guarantee that the judicial personnel could correctly exercise judicial right. 3) We regarded publicly opening a court session to try cases as the priority in an effort to standardize the activities of the court trials. In line with the principle that "whoever stands for rights gives evidence" defined in the Civil Action Law, the persons concerned debated the truth and gave evidence in the public court trials in an effort to make the persons concerned openly win the lawsuit or clearly know why they lose it, to place the trial activities of judges under the supervision of the masses and people, and to guarantee the legality and justice of the judicial activities. 4) We standardized the time limit for completing the main lawsuit activities in an effort to avoid dilatorily handling cases and to promptly conclude cases. The standard for handling cases was the

rule of operation for handling various cases and also played the role in clarifying the Criminal Law, the Civil Law, and the Administrative Lawsuit Law. Through mobilizing and training judicial personnel, during the second half of last year, the standard for handling cases was successively tried out in the courts at all levels across the municipality, and achieved initial results.

D. We observed strict discipline and strictly managed the court.

In straightening out discipline and work style as well as strengthening the building of clean politics, we conscientiously investigated and handled the law- and discipline-breaking cases emerging in the judicial contingent. During the year 1994, we investigated and punished nine judicial personnel, of which, one was given the sentence, two were given the disciplinary sanction, and six were transferred to other posts within a stated time. At the same time, we paid attention to giving full play to the role of negative teachers in sounding the alarm for other judicial personnel.

There were some problems and deficiencies in our work, of which, the main part was that the political and professional quality of the judicial contingent could not completely adapt to the situational development and the demand of tasks. Therefore, we should summarize experiences, unceasingly improve work, and gradually resolve these problems and deficiencies.

The Work Priorities for the Year 1995

In line with the demands of the Supreme People's Court and the Beijing Municipal CPC Committee, during this year, the work priorities of the courts across the municipality are that we should enhance judicial level, strengthen the contingent construction, serve the capital's stability, reform, and development, and pay attention to doing a good job in the following five tasks:

First, we should regard safeguarding the capital's stability as our duty and devote great effort to doing a good job in various judicial tasks.

We should continuously persist in severely punishing the criminals of seriously endangering public security, such as the murderers, robbers, rapists, "bus and train bandits and highwaymen," gunslingers, and burglars. We should persist in severely punishing the corruption, bribery, and other economic criminals. We should persist in severely punishing the criminals who endanger reform and opening up and sabotage economic order, such as the criminals who forge, steal, and resell the invoices for value-added taxes at higher profit; evade and resist tax payment; or manufacture and sell fake and inferior products; and should strive to safeguard social stability. We should conscientiously do a good

job in trying the civil, economic, and administrative cases involving the immediate interests of the masses and that account for 90 percent of the total cases accepted and heard by the court. We should do a good job in executing the rulings of cases, promptly get rid of various contradictions among the people, prevent intensifying contradictions and remove unstable factors.

Second, we should conscientiously comprehend the guidelines of the central economic work conference and define the work priorities of serving reform and economic development.

We should conscientiously do a good job in trying various cases involved with the in-depth reform of state-owned enterprises; rural economic development; measures of macroeconomic regulation and control; intellectual property rights; and foreign, Hong Kong, Macao, and Taiwan firms. We should further strengthen the work of trying economic cases and do a better job in providing judicial guarantee and legal service for establishing the market economic system.

Third, we should strictly enforce the law and strive to enhance the judicial level.

In the course of carrying out the judicial work, we should persist in carrying out the party's democratic centralism and safeguard the dignity and unity of the legal system. We should do a good job in carrying out the standard for handling cases and guarantee the establishment and perfection of various coordinated measures for the implementation of the standard for handling cases. We should strengthen the construction of the judicial tribunals of the people's courts and of the tribunals of the grass-roots people's courts, as well as create conditions for comprehensively carrying out the standard for handling cases. We should strengthen investigation and study, grasp the new situation, resolve new issues, and advance with new stride in handling affairs in strict accordance with the law and comprehensively enhancing the judicial level.

Fourth, we should relentlessly grasp the contingent construction.

In line with the demand of the fourth plenary session of the 14th CPC Central Committee and the outline for the three-year plan of the municipal party committee on strengthening party building, we should pay simultaneous attention to judicial work and contingent construction. We should strive to train a contingent of the court cadres and policemen with strong political sense, proficient vocational ability, and the character of being faithful to the interests of the party and people as well as exert our effort to accomplish the important tasks entrusted by the party and state. We should successfully carry out

the following four tasks. 1) We should strengthen ideological building. We should organize cadres and policemen to study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics step-by-step in a planned way, strengthen the communist conviction, uphold the purpose of wholeheartedly serving the people, and correctly exercise the judicial right. We should continuously strengthen positive education, encourage healthy trends, propagate advanced units, and make the broad masses of cadres and policemen establish the dictatorship, service, and capital sense. 2) We should strengthen the organizational construction, especially the construction of the leading bodies at all levels. We should strengthen the party building and give full play to the role of the grass-roots party branches and communists. 3) We should strengthen professional training, adopt various forms, and enhance the professional quality of the cadre and policeman contingent. 4) We should strictly manage the court and grasp the building of work style and clean politics.

Fifth, we should do a good job in establishing the intermediate people's court.

In order to adapt to the building of the legal system and the demand of accomplishing arduous judicial tasks, through the decision of the Beijing Municipal CPC Committee and the approval of the Supreme People's Court, Beijing is permitted to establish a new intermediate people's court. This is a great event for reforming and perfecting the judicial system and meeting the demand of the situation and tasks. We should actively and successfully carry out this work in an effort to make the courts at three levels in our municipality give better play to their functional roles.

The year 1995 is the last year of the "Eighth Five-Year" Plan, and also the crucial year for the whole municipality to realize the fighting goal of making people become prosperous ahead of schedule. Therefore, the tasks facing the courts at all levels across the municipality are very glorious and arduous. Under the leadership of the Beijing Municipal CPC Committee, the supervision of the municipal people's congress and its standing committee, and the guidance of the Supreme People's Court, we are determined to further emancipate the mind, heighten the spirit, advance with big stride in enhancing the judicial level and strengthening the contingent construction, and make new contributions for the capital's reform, opening up, economic development, and social stability.

Hebei Secretary on Light Industry

SK1406124595 Shijiazhuang HEBEI RIBAO
in Chinese 28 May 95 pp 1, 3

[Speech by Cheng Weigao, secretary of the Hebei provincial party committee, at the ceremony to mark the first broadcast of the teleplay "Hope—the Song of Light Industry on the Brand-Name Product Strategy," at the Hebei provincial light industrial work conference on 21 April]

[FBIS Translated Text] The Light Industrial Department organized light industrial enterprises across the province to implement the brand-name product strategy, and achieved positive results during a period of more than a year. We first started implementing the brand-name product strategy in light industrial enterprises. Last year we held a meeting at Haomen Company on "learning from Haomen, grasping strong items, creating competitive products, and striving to create top-grade work," urged all trades and professions to implement the brand-name product strategy, produce their own brand-name products, and create top-grade work. Light industrial enterprises firmly grasped this work, witnessed great changes in their ideologies and concepts, in management strategy, and in priorities of work through strenuous efforts, and promoted a new change in the outlook of Hebei's light industrial industry and light industrial products. Changes were apparent in the betterment of products, the acceleration of development rate, and the enhancement of development momentum. In light industrial work, our province has achieved certain achievements in carrying out the target responsibility system; increasing the balance of economic aggregates, fixed assets, and exports; carrying out foreign economic work; and building light industrial markets. Of course, it is impossible for one trade or one department or one enterprise to have great changes within one or two years. This can be achieved only through long-term efforts. Certainly, changes in some products may be quicker. Generally speaking, through one year of efforts and promoted by the brand-name product strategy, our province's light industrial work will see development, progress, and changes.

"Learning from Haomen, grasping strong items, creating brand-name products, and striving to create top-grade work" is still one of the important strategies in our province's industrial development. Under a situation of advancing the socialist market economic system, implementing the open policy, and making China's economy gradually join the international economy, "creating brand-name products and striving to create top-grade work" will become more important. If the industrial trades and enterprises of our Hebei Province fail to cre-

ate a batch of brand-name products, our economic development rate and efficiency will be sure to be restricted greatly. At present, one of the very important reasons for the slow development, low efficiency, and lower-than-national-average development rate in Hebei's industry is that it lacks a batch of brand-name products. Famous brand refers to those outstanding products or enterprises that have a big proportion of products in the market during domestic and foreign market competitions, enjoy great trust by consumers, and are acknowledged by the public. To become an outstanding enterprise, it must have outstanding products. An enterprise with brand-name products are not likely an outstanding enterprise. The famous brand is a concept of products and a concept of enterprises.

A famous brand cannot be formed in one day. A key requirement is to rely on a strong sense of competition and pioneering efforts, and on carrying out General Secretary Jiang Zemin's proposal given at last year's national economic work conference on "raising efficiency of structural optimization, raising large-scale production, and raising technological progress, and accelerating enterprise development." Structural optimization means satisfying various market needs. Brand-name products are not necessary to be all high-level products. Products of a certain level or in a certain aspect that can be acknowledged by consumers as low-price and good-quality, and that can win high trust may also become brand-name products. It is impossible to become a brand-name product and win a place in the market if these three points cannot be attained. Only by firmly grasping these three points can we accelerate enterprise development.

Creating famous brands, we must make long-term efforts, work out comprehensive plans, and gradually implement them. The issue of prime importance is to see whether a locality, a trade, or an enterprise has a sense of competition and a pioneering spirit or not. If it fails to have this sense and the spirit, enhancement and acceleration will be empty talk, and the realization of creating famous brands will be out of the question.

Speaking in terms of our light industry, its proportion in the whole province's industrial economy is quite small. Generally speaking, products are "old, low, and small." "Old" means that products are seriously old; "low" means that level of products is low; and "small" means that the proportion of light industry in the whole national economy is small and the scale of light industrial products is small. Along with progress of reforming the market economic system and further linking China's economy with the international market, our circumstances will be more difficult if we fail to change this situation with strenuous efforts. We will be

unable to enter the markets in the east and south, and in addition, our existing markets in northern, northeast, and northwest China will also be occupied by other provinces. Therefore, comrades of the light industrial trade should maintain sharp vigilance and really have a sense of crisis. During the past few years, we made unceasing efforts to grasp light industry, but quality and efficiency issues of our province's economic operations still could not be fundamentally resolved. Recently, I have also repeatedly thought about this and studied what mechanism and measures we should adopt, and have made up my mind to guide the broad masses of cadres on the industrial front to attain the goal of "raising efficiency of structural optimization, efficiency of large-scale operation, and efficiency of scientific and technological progress, and accelerating enterprise development."

We should recognize that our province lacks famous brands indeed. What is on the teleplay? It only introduces Haomen beer, Shuermei, Changcheng white spirit and a few others. When talking about ceramics, we say the total output ranks first in the country. But what about the level of the products? Now you can go to Hualian Emporium to see how many products are produced by Hebei. Can you find any western-style clothes, leather goods, and utensils for daily use? How many varieties of products do we have? Talking about this does not mean that I am not satisfied with the light industry. It is because I feel very anxious and cannot calm myself down when I saw that our province has so few brand-name products. If we fail to grasp this issue now, enterprises will be unable to survive. Then, it will be too late. Under a situation of the market economy, a fundamental change has taken place in the environment. If we fail to have a sense of competition and to carry out new pioneering undertakings, but still stick to old methods, old enterprises, and old products, then our life will be very difficult. In the future, as far as a trade, an industrial department or an enterprise is concerned, a key requirement for judging whether a cadre is competent is to see whether he can accomplish something and contribute to "raising efficiency of structural optimization, efficiency of large-scale production, and efficiency of scientific and technological progress, and accelerating enterprise development." We must see whether the structure has been optimized or not, to what extent the scale has been expanded, and what progress has taken place in science and technology. If we fail to participate in competition, feel happy with the present situation, become narrow-minded, and pay no attention to progress, scale and carrying out major tasks, how can we push our industry forward? I hope all of you will study and discuss this issue in a better manner, discuss ways to deal with the light industry, and realistically grasp the

implementation of the brand-name product strategy until desired results are achieved.

Let me give four priorities to the light industry:

The light industry should change the situation in which products are outdated, the product level is low, its proportion in the whole national economy is small, and the scale of products is small; open up a new battlefield; create new brand-name products; and make new contributions.

I hope the broad masses of cadres and workers on the light industrial front, based on the existing achievements and under a new situation of the unceasingly developing and changeable market economy, will conscientiously discuss and implement the guidelines of the national economic conference, especially the implementation of the proposal of General Secretary Jiang Zemin on "raising efficiency of structural optimization, efficiency of large-scale operation, and efficiency of scientific and technological progress, and on accelerating enterprise development," achieve a quicker and better development in the province's light industrial economy under the promotion of the brand-name product strategy, and make greater contributions to the whole province's economic construction.

Hebei Secretary on Spiritual Civilization

SK1006143795 Shijiazhuang HEBEI RIBAO
in Chinese 13 May 95 pp 1, 2

[Speech by Cheng Weigao, secretary of the provincial party committee, delivered on 12 May at the first plenary session of the Third Hebei Provincial Spiritual Civilization Building Commission]

[FBIS Translated Text] On 12 May, Cheng Weigao, secretary of the provincial party committee, pointed out in his speech at the first (enlarged) plenary session of the third provincial spiritual civilization building commission: In the mass activities of building a spiritual civilization, we should give priority to achieving success in 10 tasks. To sum up these 10 tasks, they are the "three learnings" (learning theory to distinguish between right and wrong, learning from advanced examples to foster a new style, and learning knowledge to strengthen capability); the "three educations" (education on patriotism, professional ethics, and the legal system); the "three rectifications" (rectifying pornography, illegal publications, and ugly phenomena; rectifying feudal and superstitious activities; and rectifying dirtiness, disorder, and poor services); and the "one improvement" (improving grass-roots ideological and political work).

First, we should organize the masses to learn Comrade Deng Xiaoping's theory of building socialism with Chi-

nese characteristics in an extensive and profound manner. Not only should the broad masses of cadres succeed in learning the theory of building socialism with Chinese characteristics, but also the broad masses of ordinary people should master the theory. The current problem is that we pay more attention to the study of cadres at all levels, especially of leading cadres at all levels. As to the study of, propaganda to, and dissemination to ordinary people, we merely make general appeals that lack concrete organization and guidance. To let the broad masses of ordinary people understand and master the theory of building socialism with Chinese characteristics, we should actively organize the mass study program. 1) All news media should launch popular propaganda activities on the theory of building socialism with Chinese characteristics. When engaging in propaganda, we should pay attention to taking the reality into consideration and should strive to use the language of the masses to explain the profound in simple terms. All news media should increase the content of this work and try to make it as vivid and lively as possible. 2) We should achieve success in organizing the backbone persons to extensively develop mass reading activities. In rural areas, we should organize those party members, members of the Communist Youth League (CYL), and young activists who are concerned about politics, have keen thoughts, and get rich through industrious labor. In enterprises and institutions, we should organize party members, CYL members, and backbone persons in both offices and workshops who are concerned about reform, who participate in reform, and who support reform. In universities and colleges, we should organize student cadres and elements active in joining the party. In neighborhood committees, we should organize old retired cadres, old workers, and old intellectuals. Through them, we can influence and promote other people to develop the reading activities targeting different persons and different levels and in diversified forms. Grass-roots party organizations and mass organizations should actively achieve success in the task of organization and guidance. 3) We should adopt diversified forms to develop the speech contests on studying and using theories. Speeches should be good rather than long, and most importantly, they should be based on people's actual thinking and works. We can organize the activity according to different levels, or we can develop the activity according to different trades and professions. We should select, recommend, and appraise speakers at each level. News media should publicize the speeches in a selective manner. Radio and television stations can also transmit the contest live.

Second, we should foster and publicize a group of advanced examples on a grand scale. In the first place, we should make good use of the typical examples fos-

tered by the central authority. At present, we should develop the activity of learning from Comrade Kong Fansen throughout the entire province in an extensive and profound manner. Comrade Kong Fansen is not only the model for leading cadres to draw lessons from, but also the example for all people. The deeds of Comrade Kong Fansen not only epitomize the lofty moral character which the leading cadres should possess during the new period, but also manifest the Chinese people's traditional merit and revolutionary spirit. Developing the activities of learning from Comrade Kong Fansen among the broad masses of people is beneficial to upgrading the people's ideological and moral quality as well as to promoting the building of the entire socialist spiritual civilization.

Therefore, in the activities of learning from Comrade Kong Fansen, we should guide the people to foster a correct outlook on life, on the world, and on values; we should guide the people to better carry forward the spirit of selfless dedication, the spirit of arduous struggle, and the spirit of pioneering the road of advance by conducting study activities among the masses, focusing on leading cadres at all levels. Then we should summarize and disseminate a number of deeds and outstanding advanced figures coming forth in the province's reform, opening up, and economic construction so as to provide examples for the masses to learn from and provide goals for the masses to attain. Such examples are not necessarily many in quantity because they must be true and vivid, must manifest the characteristics of the times, must have strong appeal, and must be very convincing. We should penetrate into the work, business, life, moral character, and families of advanced figures and conduct three dimensional propaganda on these figures. All levels of newspapers, radio, and television should spare no space or time and should repeatedly report or broadcast the deeds of these exemplary figures in prominent positions or in golden times to make their deeds popular among the masses so we can truly use these deeds to educate, affect, and inspire the people and create a healthy and forward-looking social atmosphere throughout the province.

Third, we should set off a new upsurge of studying scientific and cultural knowledge among the masses. To keep abreast of the demands of economic development today, tomorrow, and later, we should vigorously organize the activities of spreading cultural, scientific and technological, and legal knowledge among the masses. With the vigor of the masses in the 1950's and 1960's in studying cultural knowledge during their spare time, we should adopt appropriate forms based on new circumstances to mobilize and organize the vast numbers of the masses in the countryside, young and middle-aged

people in particular, to set off an upsurge of studying science and technology, culture, and laws with a view to improving their skills and expertise. Urban workers and staff, and young and middle-aged people, should first receive in-service training, and at the same time should utilize their two days off every week to attend computer, foreign language, and economic and trade study classes as well as popular science, enhancement, and knowledge-renewing and continued educational classes that are related to their professional jobs in an effort to continuously improve their scientific expertise and work skills. In the countryside, we should give full play to the role of adult educational schools and scientific research institutes such as county vocational education centers, agriculture schools, and peasants' scientific and technological research societies, and should conduct diverse forms of applied technology training, training on the knowledge of management and operation of township and town enterprises, and the spreading of market economic knowledge to make rural people more capable of becoming prosperous through hard work and attaining the level of being relatively well-off.

Fourth, we should actually attend to the mass activities on patriotic education. This year marks the 50th anniversary of victory in the world anti-fascist war and in the war of resistance against Japan. All levels of party organizations and all youth, trade unions, women's federations, and mass organizations should seize this opportunity to organize old soldiers of the Eighth Route Army, senior militiamen, anti-Japanese heroes, and support-the-frontline models to hold report meetings to condemn the monstrous crimes of the Chinese-invading Japanese soldiers and to tell about the heroic deeds of the army and the people of our country, our province in particular, who fought a bloody battle to resist Japanese invaders under the leadership of the party. We should also conduct patriotic education among the masses by organizing the masses to sing anti-Japanese songs, watch anti-Japanese films and telefilms, attend special cultural and art soirees, and view related exhibitions. All press units should provide special columns or special topics marking the 50th anniversary of victory in the war of resistance against Japan, emphasizing the introduction of all kinds of massacres manufactured by Chinese-invading Japanese soldiers in the province. Press units should also interview old soldiers of the Eighth Route Army, old militiamen, and heroes who participated in the war of resistance against Japan, and use a host of vivid facts to inspire the people's sense of loving the country and the people's will to make the country strong. At the same time, the activities of raising and hanging national flags should be continuously launched. Standardized and permanent flagpoles should be erected in major squares of all cities, at all schools, and at all levels of party and

government organizations. Cities and party and government leading organizations should hold flag raising ceremonies on every major red-letter day.

Schools should persistently hold a flag-raising ceremony every Monday. Of party and government organs, the provincial party committee, provincial people's congress, provincial government, and provincial committee of the Chinese People's Political Consultative Conference should be the first to hold flag-raising ceremonies in their compounds. We should conscientiously grasp the construction of 18 patriotic education bases such as the Xibaipo Revolutionary Memorial Hall, and particularly grasp the construction of seven key education bases. We should carefully work out plans, carefully make designs, carefully engage in construction, and fulfill the construction tasks according to the requirements for quality, quantity, and planned speed. We should organize cadres as well as staff and workers to pay study visits to education bases in groups; organize party members, CYL members, and youngsters to participate in organizational activities at education bases; organize those with enthusiasm for joining the party and CYL organizations to participate in the educational activities given at bases; and organize new party members and new CYL members to make vows at bases. Primary and middle schools and colleges should regard the organization of teachers and students to pay study visits to patriotic education bases as one of the important contents of political classes; should work out plans; and should persistently regularize the activity.

Fifth, we should strengthen the education on professional ethics among party and government organs, particularly discipline and law enforcement departments. This year, the party and government organs at various levels should work out standards for professional ethics education, which can reflect different special features of different departments and involve both effective awarding and penalty measures; should conscientiously conduct examinations; should conscientiously correct existing mistakes; and should work out realistic and feasible supervisory and guaranteeing measures. Provincial-level organs should play an exemplary and leading role. First, departments with law and discipline enforcement powers—such as courts and security, procuratorial, judicial, discipline inspection, supervisory, industrial and commercial, taxation, communications, and power departments—should take the lead in conducting rectification. These departments should publicize in HEBEI RIBAO their standards for professional ethics and telephone numbers for receiving reports; should accept supervision by the masses; and should resolutely ban the unhealthy trends of abusing power for private gain, giving and accepting bribes, ap-

portioning expenses, and engaging in lavish dining and wining. To promote this work, the work committee of provincial-level organs should be responsible for conducting supervision and inspection, and hold at the right moment an emulation on knowledge concerning professional ethics. The provincial committee for constructing a spiritual civilization should organize the masses to assess and select "professional ethics pacesetters" from the said departments and vigorously conduct propaganda and commendation. Those who refuse to mend their ways despite repeated admonition, and who bring about serious consequences, should resolutely be exposed and handled.

Sixth, we should strengthen education of the legal system and enhance the cadres and people's sense of the legal system. The year 1995 marks the last year of the second five-year plan for popularizing the general knowledge of laws. We should deeply achieve the propaganda and education on the general knowledge of laws among cadres at various levels, particularly rural grass-roots cadres and youngsters; should eliminate areas untouched by the campaign of popularizing the general knowledge of laws; should do a good job in examinations and acceptance tests; and should accomplish the task in quality and quantity. In line with the new situation of developing the socialist market economy, we should further expand the dynamics of studying and propagating economic laws and regulations; educate the people, particularly enterprise managers, salesmen, and private and individual enterprise managers, to carry out management according to law; guide the masses, particularly youngsters, to consciously safeguard social order; and bravely wage a struggle against criminals who disturb social order and sabotage the people's lives and property. This year, we should work out regulations on awarding and protecting advanced elements who are ready to take up the cudgels for a just cause. All levels should administer themselves according to law. We should widely launch a campaign of administering villages, plants, counties, and schools according to law; strive to have 70 percent of the province's villages attain the requirements for legal management; carry out the campaign in a solid and deep manner; and strive to make real achievements.

Seventh, we should consolidate the achievements in "clearing away all pornographic articles, checking illegal publications, and eliminating repulsive phenomena" as well as activate the mass cultural life. In carrying out this work during this year, we should continue to maintain the same enthusiasm and determination as we did last year; combine efforts to "deal blows to and manage this work with the effort to build a spiritual civilization"; adopt more forceful measures; and strictly guard against the reappearance of "pornographic goods"

and illegal publications, business activities, and repulsive phenomena. Reappearances of these cases is normal, but we must deal prompt blows to them as soon as they occur and strictly pursue the responsibilities of leaders of party committees and governments as well as trades who cause the serious reappearance of these phenomena. It is necessary to firmly implement and resolutely fulfill the cultural market management responsibility system that has already been formulated. We should increase efforts to build the cultural market management network and give play to its role. At the same time, we should further activate the mass cultural life. Along with the implementation of the 40-hour working system, all large and medium cities should arrange the mass cultural activities during weekends or weekdays, and establish a great number of popular cultural, sports, and recreation centers, including outdoor dancing halls, cinemas, and basketball and soccer courts. The cultural and sports activity centers of enterprises and institutions must be fully used, and if conditions permit, should be opened to the public. Mass organizations at all levels and cultural, educational, and sports departments should conscientiously arrange and organize mass cultural activities. Libraries, science museums, and cultural palaces should properly adjust their working hours to satisfy the study, resting, and recreation needs of the masses. All large and medium cities, especially Shijiazhuang, should hold a series of "colorful weekend" activities, and should make full use of all kinds of cinemas, theaters, plazas, and neighborhoods for holding various forms of cultural and recreation activities in a planned and well-organized manner. Through these activities, we should make the mass cultural life in urban areas become richer and more colorful, more vivid, and more dramatic, and should let the broad masses of citizens have a good weekend and weekday.

Eighth, we should do a good job in changing the prevailing habits and customs and resist bad customs and habits. 1) We should conduct activities in urban and rural areas across the province, particularly in the vast countryside, on trusting science and doing away with superstitions or blind faith. Science dissemination departments and science associations should strengthen science dissemination work and explain in a scientific manner the natural phenomenon of this year's "intercalary month of August" to the masses. It is necessary to give play to the role of rural mass autonomous organizations; induce the masses to consciously dismantle makeshift small temples, statues of a god or Buddha, and altars; and stop the superstitious activities conducted by witches or sorcerers. 2) We should check the practice of holding lavish weddings and funerals. We should mobilize the masses to resist the practices of using official cars to swagger through the streets, going in for

ostentation and extravagance, engaging in wastefulness, and taking advantage of weddings and funerals to accept gifts and money; we should strictly enforce discipline and handle those state functionaries, especially leading cadres, who engage in these activities. 3) We should vigorously advocate cremation and do a good job in reforming funerals and interments. Localities where burials are forbidden should persist in practicing cremation, and localities where burials are allowed should also promote cremation. Civil administrative departments should conscientiously grasp this affair and gradually raise the rate of cremation annually. Land management departments should resolutely check the phenomena of misappropriating cultivated lands for building tombs. 4) We should strengthen public opinion and propaganda, and should supervise public opinion. Press units at all levels should do a good job in disseminating and publicizing science and promote a civilized, scientific, and healthy way of living. Persons who use feudal and superstitious practices to confuse and poison one's mind in an attempt to seek money or harm people's life, who take advantage of weddings and funerals to engage in unhealthy trends, and who do things in violation of the funeral and interment reform policies must be actively educated and given guidance; those who cases are serious must be exposed to the public and be strictly handled.

Ninth, we should vigorously straighten out and improve the urban environment, and should conscientiously solve the problems caused by dirtiness, disorderliness, and poor service. This year, we should work out specific methods for launching the emulation campaign of building civilized cities. The capital of the province is required to attend to the following few tasks in doing its practical work this year. A) The party and government organs in the capital should straighten out and improve the environment of their compounds and residential compounds. The provincial party committee, provincial people's congress, provincial government, provincial CPPCC committee, and provincial-level units should be the first to do so. The work committee of provincial-level organs and the bureau for managing the affairs of provincial-level organs should work out as quickly as possible environmental improvement programs and conscientiously examine and criticize in line with the programs as well as set an example for the province as a whole. B) The capital should attend to the improvement of the environments of railway stations and long-distance bus stations. It is necessary to solve such problems as randomly setting foot on station chairs and randomly throwing stolen goods, spitting, setting up stalls, and putting up posters at station squares. C) The capital should improve the environments of major streets. The units along streets should assign persons to especially take charge of street sanitation, pub-

lic order, and environmental beautification. Shopping centers, guesthouses, hotels, and cinemas along streets should be well illuminated and beautifully decorated so as to create a beautiful, comfortable, and orderly living and working environment for the people. D) The capital should work out a plan for attaining the three requirements by 2000: ensuring that the urban vehicle speed should be 60 kilometers per hour, that white shirts not look dirty for three consecutive days in winter, and that the urban environment should be greatly changed. Speaking from the province as a whole, cities and counties advanced in city appearance and sanitation should be commended, and those backward in this respect, and those whose backwardness cannot be changed for a long period of time, should receive notices of criticism.

Tenth, we should realistically strengthen the grass roots' ideological and political work. In conducting ideological and political work, we should set our sights on the grass roots and the masses, and should sum up and popularize experiences in ideological and political work. Only by so doing will our ideological and political work be well carried out and take root in the hearts of the people. This year, the propaganda department of the provincial party committee should emphatically organize two meetings and one campaign. One of the meetings is the provincial meeting to exchange experiences in enterprises' ideological and political work. The meeting will emphatically study the issue of how state-owned enterprises guide their staff members and workers to foster the sense of market, the sense of competition, the awareness of running risks, and the spirit of being enterprises' masters in the course of establishing the modern enterprise system and entering markets. The other is the provincial meeting to exchange experiences in carrying out the ideological and political work in rural areas. The meeting will emphatically sum up experiences in helping the broad masses of peasants cultivate the spirit of arduously doing pioneering work and solid work, insist on the principle of "taking a two-hand approach and being sure that both hands are tough," and simultaneously develop the material and spiritual civilizations. These two experience-exchange meetings should take grass-roots organizations and the grass roots' ideological and political workers as targets. Through recommendations and selections from below, the province should foster a group of examples in this respect. One campaign indicates the province-wide campaign of marking adult festivals. In line with the principle of health, benefits, and easy practice, all localities and units should organize and hold in 1995 adult festivals for young people who come of age at eighteen, raise flags, sing national anthems, and make vows in front of the national flag; they should also organize them to participate

in some activities of practical significance such as planting adult commemoration trees, supporting the poor and the difficult, learning from Lei Feng to do good deeds, disseminating civility and courtesy, safeguarding social order, and accepting revolutionary and traditional education at revolutionary commemoration places and martyrs' cemeteries. We should launch the campaign more colorfully and significantly, and should make the vast number of young people not only be willing to join but also be educated from it.

Hebei People's Procuratorate Work Report

SK1406011195 Shijiazhuang HEBEI RIBAO
in Chinese 19 Mar 95 p 7

["Excerpt" of work report of Hebei Provincial People's Procuratorate by Chief Procurator Liu Zongxin at the third session of the Eighth Hebei Provincial People's Congress on 23 February]

[FBIS Translated Text]1. Concentrate Efforts To Investigate Major and Important Crimes, Accomplish Substantial Results in Penalizing Corruption and Bribery

According to the party Central Committee's series of guidelines in the battle against corruption, and according to the work orders of the provincial party committee and provincial higher procuratorate, procuratorates in the province prioritized corruption, bribery, and economic crimes as the major mission and stood steadfastly by the guiding principle of strict and severe punishment according to law as well as the policy of "first be determined and second be prudent to accomplish all missions accurately" in order to strengthen all operations. Efforts were combined to investigate major and important crimes, including corruption and bribery; substantial results were achieved. In 1994, a total of 2,977 cases of economic crimes, including bribery and corruption, were established and investigated, an increase of 9.7 percent over the previous year. Among these, 1,801 were major important cases that represented 60.5 percent of the cases established, an increase of 21 percent over the previous year; 1,865 were corruption and bribery cases, representing 62.6 of the total cases established, an increase of 26 percent over the previous year; and 670 cases were of misuse of public funds, 302 cases were of tax evasion and resistance, 76 cases were of imitation of trademarks. Through the handling of these cases, 100.09 million yuan of direct economic loss was retrieved for the government and collectives, an increase of 47 percent over the previous year. From the cases handled, the work to penalize bribery, corruption, and other economic crimes demonstrated four major points:

First was that significant breakthroughs were made in investigating major corruption and bribery cases. In total, 809 major cases of corruption and bribery were investigated, an increase of 46 percent over the previous year. Among these, 657 cases involved amounts between 10,000 and 50,000 yuan; 93 cases involved amounts between 50,000 and 100,000 yuan; 53 cases involved amounts between 100,000 and 500,000 yuan; and six cases involved more than 500,000 yuan.

Second was that significant breakthroughs were made in economic criminal cases involving the employees of "three offices and one department." The economic criminal activities of the employees in the "three offices and one department" severely damaged the reputation of the party and the nation, and were an important expression of the phenomenon of decay. According to the orders of the party Central Committee, the procuratorates made the investigation of this type of crime a priority. In one year, a total of 369 cases of the types of crime described above were investigated, an increase of 42.5 percent over the previous year.

Third was that significant breakthroughs were made in investigating crimes committed by leading cadres at the county or section level and above. All procuratorate departments in the province treated the investigation of major crimes committed by leading cadres as a key to the in-depth battle against corruption. In the process of investigation, higher levels helped lower levels, one level took responsibility for another level, and procuratorates seized the administration of pursuing a case and made important progress in investigating major crimes. In total, 90 major criminal cases involving cadres at the county or section level and above were investigated and handled (among the cadres, two were at the department deputy director level), a 2.5 times increase from the previous year and the most cases ever handled in one year.

Fourth was that major breakthroughs were made in investigating crimes committed by legal persons and new reform disruption type crimes. In total, 26 cases were handled involving crimes committed by legal persons; 45 cases were investigated and handled involving crimes of falsifying value added tax receipts; and four cases were investigated and handled involving stock market crimes.

In the battle to punish corruption, bribery, and other economic crimes, provincial procuratorate departments prioritized work in the following categories:

1. They unified ideology and raised the level of knowledge. Targeting the lack of courage some police cadres (especially those in leadership roles) faced when attempting to justly uphold the law, the provincial procuratorates

persisted in Comrade Deng Xiaoping's philosophy of "seize with both hands and both hands must be firm" and "anticorruption depends on the law," as well as the series of anticorruption guidelines from the party Central Committee, in order to unify the thinking and actions of the police forces. In practice, they reiterated and raised the level of understanding the important significance of grasping major and important crimes and of punishing corruption, bribery, and other economic crimes. The courage of police forces, especially those in leadership roles, to justly uphold the law was increased. They were devoted to handling cases with attitudes of heightened political responsibility and a sense of historical mission.

2. They made major breakthroughs and vigorously handled cases. The emphasis of crackdown efforts was placed on persisting in the investigation of important and major cases, especially economic crimes (including corruption and bribery) that involved employees of leading party and government organs, executive law enforcement organs, judicial organs, and economic management departments. Prioritizing efforts were made in the division of work, personnel, material resources, and financial power. The chief procurator concentrated his efforts on handling cases, conscientiously accomplished the work of delegating and coordinating responsibilities, and personally investigated major and important cases. The higher-levels gave supervision and guidance to the lower-levels in investigating and handling major and important crimes, and took prompt initiative in supporting grass-roots courts, in order to promote the development of investigating major and important crimes.

3. They strengthened crime reports and investigated crimes in depth. Through establishing and perfecting a system of reporting crimes, commending and rewarding those who contribute, investigating in depth and cracking down upon illegal offenses of persecuting informants, conducting in-depth investigations and studies, propagating law and order, and other effective measures, the masses were motivated to report wrongdoings. In total, the province's procuratorates received and handled 12,215 reports and leads regarding economic crimes from the public, an increase of 19.3 percent over the previous year. At the same time that the work reports were being accomplished, the strengthening of preliminary investigations into the sources of the reports was also undertaken, and cases were promptly established as soon as evidence was found and resolute measures were immediately taken, hence the rate of case establishment from case evidence was increased. In handling cases, we ceaselessly strengthened the investigative knowledge of police cadres, emphasized breadth by investigating in depth regardless of who was involved, and emphasized

depth by finding accomplices. By handling one case, we dug out a nest and pulled out a chain. In total, 195 economic crime rings, including those involved in corruption or bribery, were apprehended, a powerful crackdown on the swollen arrogance of criminals.

4. They increased the force of the crackdowns and assured the quality of cases. Provincial procuratorates conscientiously stood by the guidelines of severity and strictness according to law and persisted in carrying out the policy of "determination first, cautiousness second, and accomplishing the mission." On the one hand, procuratorates concentrated efforts to make breakthroughs in investigating major and important crimes; on the other hand, they grasped the progress of handling cases and the quality of cases. Prompt investigation and prompt trials were accomplished through the timely arrest and prosecution of corruption, bribery, and other economic crime cases, thereby expanding the legal effects and social effects of the judicial process. Due to the strict system of examination, verification, and establishment of cases; the degree of criminality, facts and evidence, and acquittal conditions; and the measures of perfecting and strengthening of internal system of restrictions taken on by all levels of procuratorial organs, the number of acquitted cases decreased significantly in the process of investigating and prosecuting corruption and bribery cases. In total, 284 persons were acquitted by provincial procuratorates, an acquittal rate of 16.7 percent, which was significantly below the national average.

II. Strictly Crack Down on Major Criminal Activities, Maintain the Political and Social Stability of the Province

The provincial procuratorates prioritized work to maintain stability; fully utilized abilities; persisted in the guidelines of severity and strictness; persisted in the policy of "clear basic facts and conclusive basic evidence"; persisted in the early intervention in major and important crimes; and promptly made arrests and brought charges. They increased the power of the crackdown against severe criminal offenses. Arrest requests were made for a total of 22,293 persons involved in various criminal acts during the year; 20,812 cases were concluded, and the arrests of 20,251 persons were approved. Requests were made for charges to be brought against 21,735 individuals; 20,405 cases were concluded, and public charges were brought against 19,728 persons.

In the battle of "strict crackdowns," the focus was on sources of severe societal damage as well as threatening sources to the national good and the lives and property of citizens such as murder, robbery, bombing, rape, and other violent criminal activities; bullies and

hoodlums, robbery mobs, and criminal rings with underworld society affiliation; damage to railroads, communications, electric power, and production facilities as well as robbery of national property, especially severe criminal acts of bank robbery; and the sale and transport of drugs, organized prostitution, the kidnapping and selling of women and children, the production or broadcast of pornographic materials, major financial fraud, or cheating in the sale of cotton. The good of the nation was maintained when charges were successfully brought against the fraud case in the reserve letters of credit involving \$10 billion at the Hengshui Branch of the Agricultural Bank of China, and the criminals involved were punished according to law.

Participation in various crackdowns on criminal activities—such as the "spring strategy," "antipornography and anti-illegal publication sweep," etc.—was enthusiastic in accordance with the unified orders of the provincial party committee and the provincial government. In the "spring strategy," the province's procuratorates processed 6,714 requests for arrest from public security organs; 6,183 arrests were approved, and among these 2,315 arrests were criminals wanted for major crimes, 139 criminals were pursued and captured. In addition, 5,321 charges were brought by public security organs and processed; public charges were brought against 4,919 cases, among these 889 were for major crimes and 50 were for investigation. In the battle of the "antipornography and anti-illegal publication sweep," the provincial procuratorate was in control of the situation and supervised and processed the cases. The cases were closed by the end of the year.

III. Conscientiously Investigate "Violation of Rights" and Dereliction of Duty, Maintain the Lawful Rights of Citizens and the Normal Activities of Government Organs

Through punishing and curing corruption, maintaining stability, promoting the strict execution of the law, strengthening the construction of clean government, protecting productive forces, and promoting a high level of economic development, the province's procuratorates took another step in the strengthening of legal investigation and continued to prioritize the work of investigating the "five types" of cases: profiteering and favoritism, forced confessions, unlawful incarcerations, dereliction of duty, and responsibility for major accidents arising from negligence. Breakthroughs were made in investigating major cases and cases involving criminal acts by judicial personnel. The investigation of profiteering and favoritism was prioritized, which promoted the in-depth development of investigations.

During the year, the province's procuratorates investigated 1,119 types of "violation of rights" cases and cases of dereliction of duty, 233 cases of which were major cases, making up 20.8 percent of all cases established; "five types" of cases numbered 793, making up 70.9 percent of total cases established. In the cooperative efforts of all police departments, two obvious progressions were made in investigative work. The first was the obvious development in the investigation of profiteering and favoritism. A total of 50 such cases were established, among which 20 were major cases, an increase of 16 times over the previous year. The second is the obvious development in the investigation of crimes committed by judicial employees. Investigation and charging of judicial crimes increased 1.5 times over the previous year. By processing these cases, the strict administration of the law was moved forward and the establishment of a clean government by judicial organs was promoted.

IV. Strengthen Supervision of the Carrying Out of the Law, Assure the Unified and Accurate Administration of the National Legal System

First, we strengthened supervision over investigation. Checking and correcting problems where wrongdoings went unchecked, and problems where fines are substituted for punishment, were prioritized. Through the verification of arrests and charges, and through giving legal supervision to investigative work, we pursued and captured 533 persons who failed to be arrested and pressed charges against 149 persons who failed to be charged. In the verification of the arrest of an organized robbery case, the Pingquan County Procuratorate pursued and captured 21 persons who escaped arrest. In the verification of charges of organized robbery brought against 20 persons, the Lulong County Procuratorate discovered 11 criminals who failed to be charged and promptly suggested charges be brought against them, hence assuring all involved were justly tried. A total of 685 suggestions were made to correct law violations in the investigations. In 16 cases where no charges were brought but where charges were justified, public charges were brought and direct investigations made in accordance with Article 13 of the Criminal Procedural Law.

Second, we strengthened supervision of trials. We focused on the legal supervision of court activities and of bringing counter charges against cases where severe crimes were lightly punished, light crimes were severely punished, or the guilty were acquitted. Counter charges were brought against 93 cases of misjudgment, of which 18 misjudgments were changed by the courts, and corrective suggestions were raised in 57 cases (occurrences) where judicial procedures were found to be in violation of the law.

Third, we strengthened supervision of law enforcement. Investigation and supervision measures were passed for supervisory reform, as well as for sentencing of criminal offenses and administering such sentences. Corrections were made in 686 cases where surveillance or reform facilities were found in violation of the law; 21 cases of crimes involving 31 persons of surveillance or reform personnel were handled; and 59 cases of crimes involving 83 persons under surveillance were handled.

Fourth, we strengthened the legal supervision of civil trials and administrative charges. We focused on the investigation of obvious miscarriages of justice, bringing charges against judges involved in profiteering and favoritism, solicitation, and acceptance of bribes in civil trials as well as administrative charges. In total, 56 civil and administrative charges of dissatisfactory court judgment, 14 cases of counter suits, and 28 cases of suggestions for court correction were successfully established; investigations were approved for five cases and seven persons involving profiteering, favoritism, and solicitation or acceptance of bribes.

Fifth, we strengthened the investigation of filed charges and conscientiously began verification on criminal charges. Provincial procuratorates abided by the policy of "Seeking truth from facts and making corrections of mistakes," and handled 315 cases of dissatisfaction with court decisions and refusals of the procuratorate organs' decision. Of these, 55 cases were corrected.

V. Actively Participate in Improving Public Security in a Comprehensive Manner, Prevent and Decrease the Occurrence of Crime

The provincial procuratorate established the "detailed rules of the Hebei Province People's Procuratorate on leadership responsibility for comprehensive management of public security" and "suggestions for the conscientious administration of the responsibility system for improving and rectifying Hebei Province's cultural market" in order to systematize and standardize the progress and control of procuratorial organs. Hebei's procuratorates and related organs worked closely to satisfactorily handle, according to law, several cases that affected stability. After the "Wujiang Conference" of the Central Committee for Comprehensive Management of Public Security, we conscientiously participated in the work to order public security in rural areas, and cracked down on criminal elements who brought harm to the masses, tyrannized villages and towns, and severely affected the stability of rural areas. Combined with the handling of cases, the multi-faceted propagation of law and order was initiated; investigative suggestions were promptly made to target loopholes in the management tasks of

case-handling units in order to help these units establish regulations and structures; crackdowns and prevention efforts were combined to realize the implementation of comprehensive control. Over the year, a total of 4,408 promotional articles in newspapers, radio, and television were released by the provincial procuratorates; 892 classes on law and order were held; 114 exhibitions on promoting law and order were organized; 2,732 legal advice providers were initiated; 800 contacts were made for comprehensive control; 6,000 investigative suggestions were made to case-handling units; and help was given to perfect management policies for 510 enterprises. In total, we helped case-handling units to recover 113.746 million yuan in direct economic losses. With the aid of procuratorate organs, 120 enterprises strengthened their management structures and realized turning losses into profit. Effective contributions were made in crime prevention and in promoting economic development.

VI. Persist in "Strict Management of Procuratorates," Further Strengthen Efforts To Improve the Contingent

We strengthened ideological construction. Hebei's procuratorate organs persisted in the prioritizing of ideological construction, organized the police forces in the dedicated study of conference documents from the 14th National Party Congress and the third and fourth plenary sessions of the 14th party Central Committee. They armed the mind with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the basic line of the party; combined the unique characteristics of procuratorate tasks and the thinking of the procuratorate police forces to further strengthen the ideological and political work to raise the ideological and theoretical standards of the provincial procuratorate police forces. According to the unified order from the provincial party committee, they focused on the education and improvement of the all-province procuratorial contingent in order to bring about significant changes to the thoughts and style of the police forces, strengthened their dedication to and respect for hard work and clean government, established their determination and confidence in accomplishing procuratorate tasks.

We strengthened the establishment of leadership. We organized the broad discussion of "how to be a good procurator" among grass-roots procuratorates, raised the overall quality of leaders in grass-roots procuratorates. We prioritized the unity and coordination of leaders at the new procuratorates of the cities where cities and prefectures were merged to strengthen their cohesiveness and combat power. We strengthened to nurturing of young cadres, and back up forces exceeded 467 cadres.

We fortified construction of clean government. According to the regulations of the party Central Committee, the provincial party committee, and the Supreme People's Procuratorate for honesty and self-governing in leading cadres, all cadres at vice-department head level and above in procuratorates province-wide exercised self-investigation and correction; 15 cases involving 21 procurators found to be in violation of laws or regulations were investigated and handled, among these three cases involving three persons were found guilty of criminal offenses, and those found to be unsuited for work at the procuratorate were transferred or removed. The initiation of these tasks further promoted the construction of a clean government among procuratorate organs and raised the self-awareness of the police forces in honesty and self-regulation.

We strengthened training and education of cadres. Pre-job training was given to 97 newly appointed county and district level procuratorate chiefs as well as transferred army cadres, more than 300 current employees took turns to receive training, 1,361 police cadres received specialist certification, the educational standards and professional quality of the police cadres were raised to a higher level.

We initiated competitions for excellence. Through competitions for excellence such as the "two competitions and one accomplishment" and establishing a no-violations procuratorate, a group of advanced teams and advanced individuals emerged in the handling of major and important cases. Ten teams and seven individuals received the commendations from the Supreme Procuratorate; 50 teams and 200 individuals received commendations from the provincial procuratorate.

In the course of the year, the provincial procuratorate had some significant achievements, but problems and insufficiencies still exist. Mainly: there are some comrades, especially leading comrades, whose problems in ideological understanding and mental attitudes in handling major and important cases still await further improvement; in supervising the administration of the law, some comrades are still in a state of low morale, their supervisory work is not bold or powerful enough; there is still insufficient investigation and research being done on new crime situations and the boundaries between crimes and non-crimes under the new conditions of reform and opening up, handling of corporate crimes have not been up to snuff; there are still periodic problems of violations of regulations or laws by some police cadres; problems of insufficient power, budget, facilities and skills needed to battle crime still need to be solved adequately. We must take effective measures to solve the above problems, and at the same time, we hope for the

support and supervision of all levels of party committees, people's congresses, and government departments.

In 1995, the work of the province's procuratorates will follow the guidance of comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, tightly grasp the larger picture for national and party goals of "seizing opportunity, deepening reform, increasing openness, maintaining stability," implement in depth the spirit of the 14th Party Congress and the third and fourth plenary sessions of the 14th party Central Committee, and the spirit of the national, provincial conferences for public security, procuratorial and judicial work and the national conference of chief procurators, persist in the ideological guidance to serve reform, openness and economic construction, persist in the work guidelines of "strict administration of the law, tough handling of crime," make breakthroughs in the work of handling major and important cases such as corruption and bribery, severely and promptly crack down on serious criminal activities, further the supervision of the administration of the law, accomplish the construction of the party to promote the construction of the contingent, fully utilize the abilities of the procuratorate, maintain the uniform and just administration of the law, maintain social stability, promote the construction of clean government and the construction of law and order, assure the smooth progress of provincial reform, openness and economic construction. In order to accomplish the above missions satisfactorily, we must strive in the following areas:

1. Understand the direction, grasp the big picture, self-consciously serve the construction of a socialist market economy. We should tightly grasp the overall picture of party and national tasks, strictly implement the law, be tough in handling cases, be creative in the work initiative.

We should continue to persist in the guiding ideology of steadfastly serving reform, opening and economic construction and serving the construction of a socialist market economy, and prioritize the work of handling cases according to law, lawful strict punishment of corruption, bribery and other economic crimes, the crackdown on severe criminal activities, the investigation of "infringement of rights" or dereliction of duty, as the most important, most direct form of service. In the work of the procuratorate, we should persist in accomplishing in-depth reforms, and simultaneously handle major important cases, promote development and maintain stability. We should crack down heavily on all types of criminal activity, prevent and lessen the occurrence of crime, strive to increase the social effects of crime fighting.

2. Implement guidelines to be heavy-handed and strict according to law, conscientiously handle major important cases, promote the in-depth development of the anti-corruption battle. We should continue the priority investigation of important criminal cases involving party and government leading organs, law-enforcement administrative organs, judicial organs, and economic management departments, especially criminal cases involving cadres at the county or section level and above; profiteering and favoritism cases among judicial and law-enforcement employees; corporate crimes; new criminal cases which endanger the implementation of reform; cases of hiding criminals, interfering in the prosecution of a case, coverups, forging evidence, hiding criminals; and crackdown on cases of retaliation against informants. We must be bold in carrying out the law, bold in confronting obstacles. For the cases mentioned above, we must handle each case as it is uncovered, and investigate it to the end regardless of who is implicated.

3. Persist in the guidelines of severity and promptness, increase the strength of "severe punishment," work diligently to maintain social stability. We should continue to implement the guidelines of severity and promptness, crack down on severe criminal offenses. We should prioritize the crackdown on malevolent crimes with large and damaging impact, on hoodlums, and on organized crime with underground ties. We should capture major criminals on the loose, bus and train robbers, criminals who abduct and sell women and children, etc. In handling criminal cases, we should conscientiously uphold the policy of "two fundamentals," persist in the early intervention of major cases. The work of arrests, and pressing charges must be prompt, accurate and powerful in order to prevent and correct the problems of weak crackdowns such as not arresting when arrests should be made, not pressing charges when charges should be pressed. According to the unified orders of party committees, we should accomplish a focused crackdown in districts and areas where there are problems of public security, lack of order, and lack of confidence in public safety among the masses; organize related departments to specifically crack down on organized crime rings. We should unify the efforts of frequent crackdowns, focused crackdowns, and specific crackdowns to build a reputation and a momentum. At the same time, we should participate in the comprehensive efforts to improve public security, conscientiously implement the comprehensive procuratorate measures, and make significant contributions to the maintenance of social stability.

4. Strengthen the supervision of the administration of the law, promote the strict administration of the law, maintain the dignity of the nation's legal system. We should further strengthen the awareness of supervision

of the law, conscientiously initiate the supervision of the administration of law. We should focus on supervision and check up on the corrective measures of investigation problems such as not pressing charges when charges should be pressed, imposing fines and labor where punishments are called for, and cases of failure to make arrests and prosecute. In representative criminal cases, we should continue to implement article 13 in the Criminal Procedural Law for direct investigations and establishment of a case; supervise and check up on the corrective measures of judgment problems such as light sentences for severe crimes, declaration of innocence when guilty, willfully lessening sentences and then using the re-trial process to re-sentence. Those who want to resist charges should do so according to law. We should supervise and check up on the corrective measures of regulation problems such as profiteering or favoritism, torture or forced confessions, illegal incarceration, and other criminal cases. We should supervise and check up on the corrective measures for problems of surveillance and reform facilities such as not performing labor when labor is required, and illegally lessening punishment, giving parole, bail or outside medical care privileges to enable criminals to "enter through the front door and exit through the back door." We should conscientiously handle criminal cases involving police cadres at surveillance or reform institutions. We should supervise and check up on the corrective measures of problems in pressing charges or bringing law suits against the procuratorates' decision to drop charges and criminal sentences from the People's Court which have already gone into effect. We should supervise and check up on the corrective measures of civil cases, especially mistrials in civil, economic, or administrative cases, and counter-suits. The best measure in strengthening supervision of the administration of law is to process cases. Through processing cases, we should promote strict administration of the law, and assure the uniform and accurate administration of the nation's laws.

5. Strengthen construction of contingents, assure the smooth initiation of vocational work. We should organize the large number of police forces to continue to study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the guideline of "grasping with two hands, both hands must be firm," especially the series of important anticorruption theories, strengthen ideological and political work, ceaselessly raise the political and work quality of the police force. We should motivate the construction of the contingent through the strengthening of the party, conscientiously persist in the policy of democratic centralism, fully utilize the grass-roots party organizations as fronts in the battle. We should realize the strengthening of all levels of leadership groups, fully nurture and pro-

mote talented and virtuous young cadres, carefully nurture trans-century talents. We should continue to persist in the guidelines of improving procuratorates according to law and managing them strictly, strengthen the construction of clean government. In violations of laws and regulations committed by police cadres, we should strictly investigate and handle each case as it is discovered, never shield a shortcoming or fault, establish the clean, fair, selfless image of the procurators.

We should strengthen the leadership of the higher-level procuratorates to lower-level ones, focus on solving problems of eading implementation of orders and prohibitions, and assure the smooth implementation of the orders of the procuratorate. We should conscientiously implement the "National Compensation Law," further perfect the system of investigating mis-trials, and lessen and prevent the occurrence of mis-trials. Mistakes must be corrected upon discovery, and compensations must be made when needed. We should continue to forcefully initiate activities to promote competitions for excellence and establish a no-violations procuratorate. We should promptly commend personnel who make significant contributions to the handling of major important cases or those who make other contributions.

6. Rely on the leadership of party committees, accept the supervision of the people's congress. Procuratorial organs must further strengthen the mindset to rely on the leadership of the party committee and to accept the supervision of the people's congress, and consciously put the work of the procuratorate under the supervision of the party committee and the people's congress. They should report with regularity to the party committee and people's congress. They should conscientiously realize and implement the directions and suggestions of the party committees and people's congress. They should rely on the leadership and support of the party committee and the people's congress to overcome difficulties in the tasks and eliminate obstacle to create a beneficial external environment for the successful processing of major important crimes and supervision of the administration of the law. They should continue to implement the "regulations on several questions regarding the supervision of the procuratorial organs by the people's congress and its standing committee" set forth by the Supreme People's Procuratorate, conscientiously accept the supervision of the people's congress and the standing committee, and ceaselessly improve the work of the procuratorate.

Inner Mongolia Secretary on Tertiary Industry

SK1406140595 Hohhot NEIMENGGU RIBAO
in Chinese 24 May 95 p 1

[Article by reporter Cui Dongwang (1508 2639 2489):
"Accelerating the Development of the Tertiary Industry,
Stabilizing Market Prices, and Improving the Living
Standards of Urban Residents"]

[FBIS Translated Excerpt] Aiming at improving the living standards of urban residents, we should lift restrictions on policies, open up new channels, and mobilize all the forces in society to initiate the tertiary industry in an effort to gradually form the new pattern in which diverse sectors of the economy develop altogether. This was the demand set by Comrade Liu Mingzu while conducting investigation and study in Hohhot city.

On the morning of 22 May, Liu Mingzu, secretary of the autonomous regional party committee, went down to the state-run grain station at Tangchang Road, the individually run grain station at Guangming Road, the beef and mutton market in Hui Nationality area, the Yiniao minor commodity wholesale market, the Shiquan Shimei foodstuff distribution center, the vegetable market in Xilin Road, and the rural fair market at Zhanbei Road to conduct investigation and study. [passage

informal discussion with party and government leaders of Hohhot city and with representatives of commercial and trade enterprises and individually run stores in the city. After hearing the opinions of some leaders and representatives, Comrade Liu Mingzu made an important speech.

Comrade Liu Mingzu said: The thriving growth of the tertiary industry constitutes a major characteristic of the modern economy. Over recent years, the tertiary industry has developed rapidly in Hohhot city, with its proportion in the city's GNP reaching 39 percent, registering remarkable results. However, compared with the advanced level at home and abroad, it still has a long way to go. To better implement the development strategy principle set forth by the sixth regional party congress known as prominently developing the tertiary industry on the basis of strengthening and developing the primary industry and optimizing and enhancing the secondary industry, and to attain the goal of effecting an all-around and rapid development of the tertiary industry, we must lift restrictions on policies, open up new channels, exploit the initiative of the state, collectives, and individuals, and encourage and mobilize the forces in all aspects to vigorously initiate the tertiary industry.

Liu Mingzu pointed out: To accelerate the development of the tertiary industry, we should first enhance our understanding and consciousness. We should fully understand that the tertiary industry embraces numerous categories and is closely related to the daily life of the people. In particular, commercial, catering, and service trades all directly serve the masses. Hence, successfully running the tertiary industry will make the daily life of the masses much more convenient and will make our party's purpose of serving the people more manifested. In addition, because the tertiary industry needs less investment but yields quicker results, it can be operated by the state, collectives, and individuals. Many tertiary industrial items can be operated with the funds raised from among the masses, without government investment and bank loans. Since the tertiary industry is a labor-intensive one that accommodates many laborers, it can absorb large numbers of job and post seekers in urban areas, increase employment, and then improve the income level of urban residents. Developing the tertiary industry is also a good way to resolve local financial difficulties because it can cultivate tax sources and increase financial and tax revenues.

Comrade Liu Mingzu stressed: To develop the tertiary industry, all pertinent departments must closely coordinate and greatly cooperate with one another under the unified leadership of governments at all levels. The development of the tertiary industry touches upon many departments, such as departments of industry and commerce, tax affairs, urban construction, environmental protection, public security, and sanitation and epidemic prevention. All these departments should regard the support for the development of the tertiary industry as their unshirkable duty and should further emancipate the mind, loose control over policies, strengthen coordination, and give the green light to the development of the tertiary industry. In line with the principle of "giving before taking," we should give support first and take profits later in an effort to develop the tertiary industry on a snowballing basis and make it thrive gradually.

Comrade Liu Mingzu said: To develop the tertiary industry, we should strengthen market construction. In the past several years, many rural fairs and markets were built in various localities in the region. Failing to proceed from reality, some markets have gone in for large scale and laid undue emphasis on foreign buyers. As a result, their buildings are very beautiful, but their customers are very limited and business very slow. Experience shows that all the successfully operated markets have conducted management in a simple and thrifty manner, have paid attention to domestic customers first and foreign ones later, have collected no or fewer charges from counters, have depended on prefer-

ential policies to attract foreign customers, have gradually expanded their scale, and have strived for development on a snowballing basis. If a market goes in for large scale and lay emphasis on foreign buyers at the beginning, makes handsome investment, and demands high prices, it will be unable to attract foreign buyers. This is a grave lesson.

With regard to the issue of stabilizing commodity prices, Liu Mingzu said: Since the beginning of this year, the government and pertinent departments in Hohhot city have done a great deal of work to control commodity prices, thus making price increases decline to some extent. When viewed from the current situation, the per capita income of residents in Hohhot that is available for living expenses is lower than the average level of the country, while the price index in Hohhot is higher than the average. As a result, the living standards of residents in Hohhot have been affected greatly, and, in particular, some residents with low income have found it difficult to bear this situation. Party committees and governments at all levels must pay high attention to this situation and regard it a major event concerning the people's livelihood to increase the income of urban residents and lower the prices of commodities. On the one hand, Hohhot should try every possible means to increase job opportunities for the residents with material difficulties to increase their income; and, on the other hand, it should intensify the work on controlling commodity prices. Liu Mingzu stressed: To control commodity prices, we should first get on with "vegetable gardens" and "rice sacks." Having ample sources of grain, the region should pay attention to grain procurement to increase grain reserves. A major problem facing vegetable production is the limited sources of vegetables in winter and spring. To resolve this problem, the most essential measure is to build vegetable bases well, help peasants build sheds and green houses, ensure the supply of means of production to peasants, spread the application of fine varieties, and provide pre-production, production, and post-production services for peasants in order to increase vegetable production by a large margin and ensure the ample supply of vegetables. This is the only way to resolve the problem concerning vegetable supply in winter and spring. State-run vegetable markets should take full advantage of their large management scale, good geological position, and high reputation and should strive to emancipate the mind, deepen reform, transform mechanism, and invigorate management. Vegetable peasants may transact directly with sellers or directly engage in supply and marketing. State-owned enterprises may organize trucks to buy vegetables from outside places and then supply the vegetables to the market of the city in order to reduce intermediate links, cut costs, and actually play a guiding

role in stabilizing market prices. We should vigorously build and develop wholesale markets for grain, edible oil, and vegetables, formulate preferential policies, and create relaxed environments to attract outside traders to deal in grain, edible oil, and vegetables in Hohhot. We should also increase the quantity and variety of grains, edible oil, and vegetables to stabilize prices. We should intensify market management and gradually establish and perfect the rules and systems on market management. We should strengthen market construction based on the principle of great dispersion and minor concentration. Minor concentration is convenient for management, and great dispersion is convenient for people's livelihood. By strengthening management, we should make managers conduct management in a standardized and legal manner. Individual peddlers play an important role in making markets flourish, regulating the surplus or shortage of commodities, and providing convenience for the people's livelihood. Therefore, great support should be given to them from now on. At the same time, the illegal peddlers who drive up prices to reap staggering profits, who mix up and adulterate goods, and who give short measures should all be punished once they are discovered so that the personal interests of residents will be ensured and markets will develop in an orderly way. [passage omitted]

Tianjin Appoints, Removes Personnel

SK1406121495 Tianjin TIANJIN RIBAO in Chinese
25 May 95 p 2

[FBIS Translated Excerpt] The 16th standing committee meeting of the 12th municipal people's congress, which was held on 24 May 1995, adopted the municipal people's congress standing committee's decision on personnel appointments and removals.

The namelists of personnel appointed and removed are as follows:

Lu Tiedong [7120 6993 2767] was appointed director of the Tianjin Municipal statistical bureau and Liu Zhenbang [0491 2182 6721] was appointed director of the municipal water conservancy bureau and director of the municipal bureau for management of the project for diverting Luan He water to Tianjin. Liang Zhaoxin was removed from the post of director of the municipal statistical bureau and Wang Yaozong was removed from the post of director of the municipal water conservancy bureau and the post of director of the municipal bureau for management of the project for diverting Luan He water to Tianjin. [passage omitted]

Tianjin Results on Economic Criminal Cases

SK1406140495 Tianjin TIANJIN RIBAO in Chinese
25 May 95 p 2

[FBIS Translated Text] Procuratorial organs at various levels across the municipality positively investigated and handled economic criminal cases, including cases of corruption and bribery, and made noticeable achievements. Statistics showed that in the first four months of this year, 254 economic criminal cases, including cases of corruption and bribery, were put on file for investigations; and economic losses, exceeding 4.21 million yuan, were retrieved for the state and the collectives.

Procuratorial organs at various levels expanded the dynamics of attacks by focusing on investigating and handling cases of corruption and bribery. Chief procurators at various levels personally arranged and investigated, in order of urgency, clues for major and appalling cases. Procuratorial organs at various levels carried out the system of chief procurators assuming responsibility for investigating and handling major and appalling cases. A total of 206 major cases, each involving 10,000 yuan or so, and 13 appalling cases relating to cadres at county and section levels were investigated and handled in the first four months of this year. Major and appalling cases accounted for 86.2 percent of the total economic cases that had been put on file, up 20 percent over the same period of last year. Ten criminal cases involving personnel of "three organs and one department" were investigated and handled, which further deepened the progress of struggle against corruption. At the time of expanding the dynamics of dealing blows to criminals guilty of corruption and bribery, procuratorial organs constantly persisted in the guiding ideology of serving economic construction, worked out an opinion on protecting the "222 project," and safeguarded legal rights of the enterprises and entrepreneurs related to the "222 project."

Tianjin Procuratorial Work Report

SK1406034795 Tianjin TIANJIN RIBAO in Chinese
9 Mar 95 p 8

[Report given by Zhang Dequan, chief procurator of the Tianjin Municipal People's Procuratorate, on the work of the Tianjin Municipal People's Procuratorate to the third session of the 12th Tianjin Municipal People's Congress on 24 February]

[FBIS Translated Text] During the year 1994, under the leadership and supervision of the municipal party committee, the municipal people's congress and its standing committee, and the Supreme People's Procuratorate, the procuratorial organs across the municipality regarded Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line as

the guidance, acted in close connection with the general tasks of the entire party and entire state, conscientiously carried out the guidelines of the second enlarged plenary session of the sixth municipal party committee and of the second session of the 12th municipal people's congress, persisted in regarding economic construction as the central task, regarded investigating and handling corruption, bribery, and other major and serious economic crimes and giving stern blows to serious criminal crimes as the priority, strictly enforced the law, made relentless effort to handle cases, faithfully performed the duty of legal supervision, and made some new progress in various procuratorial tasks.

1. We regarded investigating and handling major and serious cases as the priority and achieved significant results in the struggle of fighting against corruption, bribery, and other economic crimes.

Resolutely cracking down on corruption, bribery, and other serious economic crimes was the major part of the anticorruption struggle, the major measure for safeguarding the socialist market economic order, and the important guarantee for deepening reform, expanding opening up, and accelerating development. We conscientiously carried out the guidelines of central authorities on conducting anticorruption struggle in an in-depth, sustained, and effective way; regarded investigating and handling corruption, bribery, and other economic crimes as an important task of serving the general tasks of the whole party; strengthened leadership; adopted measures; and made noticeable results in the struggle of fighting against corruption and bribery. Last year, a total of 1,935 corruption, bribery, embezzlement, and other economic crimes were accepted and heard. Of the total 894 cases placed on file for investigation and prosecution, of which, there were 581 corruption and bribery cases, accounting for 65 percent of the total. During the year, a total of 814 cases were investigated and concluded, and 476 cases were prosecuted. Through handling cases, we retrieved direct economic loss of more than 72 million yuan for the state and collectives, increasing by 1.5 times over the previous year.

The significant achievements which we made in investigating and handling corruption, bribery, and other economic crimes are as follows:

The proportion of investigation and handling of cases involving more than 10,000 yuan increased. A total of 617 corruption, bribery, and other economic crimes involving more than 10,000 yuan were investigated and handled, accounting for 69 percent of the total cases filed for investigation and prosecution and increasing by 10 percentage points over the previous year. Among

them, there were 117 cases involved with more than 100,000 yuan.

The number of major and serious cases committed by the leading cadres at and above the county (section) level increased. A total of 52 cases were filed for investigation and prosecution, increasing by two times over the previous year. Among them, there were 29 cases involving more than 10,000 yuan and 10 cases involving more than 100,000 yuan.

The criminal cases committed by the personnel of the "party and government leading organs, administrative law-enforcement organs, judicial organs, and economic management department increased. A total of 142 criminals cases committed by the personnel of the party and government leading organs, administrative law-enforcement organs, judicial organs, and economic management department were filed, investigated, and handled, increasing by 75 percent over the previous year.

We investigated and handled a number of criminal cases seriously endangering economic order. After the state had formulated major measures for economic system reform, the procuratorial organs at all levels paid attention to understanding and grasping the new situations and issues emerging in the course of carrying out the measures for economic system reform as well as promptly investigated and handled the criminal activities of endangering reform and sabotaging economic order. A total of 18 cases on defrauding the reimbursement of indirect tax to exporters, reselling the special invoices for value-added taxes at a higher profit, issuing the false ones, and issuing the invoices for the sake of other people were filed for investigation and prosecution. A total of 16 criminal cases involved with the personnel of the financial and securities departments who took advantage of their position to illegally lend money and overdraw and appropriate public funds so as to speculate on stock exchange were investigated and handled. A total of 39 cases of forging trade marks were filed for investigation and prosecution. Among them, there were 14 fake drug cases involved with forging the trade names of "Kang-taike," "Xian," and "Yangsen," and "Sanjiuweitai," and the business earnings totalled 1.92 million yuan. We filed, investigated, and handled 119 cases involved with tax evasion and resistance, and retrieved more than 19 million yuan for the tax departments.

In the course of investigating and handling corruption, bribery, and other major and serious economic cases, we paid attention to the following aspects:

A. We unified ideology and recognition and strengthened the sense of urgency and responsibility in investigating and handling major and serious cases.

In order to enhance the recognition of the entire procuratorial cadres and policemen in investigating and handling corruption, bribery, and other major and serious economic cases, we held the meeting of the municipal procuratorial organs on investigating and handling major and serious cases; organized all levels of chief procurators to deeply study and comprehend the guidelines of the important statements made by Comrade Jiang Zemin in the second and third sessions of the Central Commission for Discipline Inspection; analyzed the seriousness and harmfulness of the cases involved with few leading cadres who took advantage of their position and power to practice graft and receive bribes; and fully recognized that investigating and handling major and serious cases was the major part of the whole party's anticorruption struggle, the important guarantee for the smooth progress of reform, opening up, and economic construction, and an important mission for procuratorial organs to serve the general tasks of the whole party.

We called on leaders at all levels to strengthen political responsibility and urgency sense as well as firmly, realistically, and successfully carry out the work of investigating and handling major and serious cases. We explicitly put forward that all levels of chief procurators should regard investigating and handling major and serious cases committed by leading cadres as the top priority. We made unremitting efforts, threw in all our might, surmounted every difficulty, had no fear in investigating and handling cases, and made breakthroughs in handling a number of major and serious cases with great influence. Through relentlessly grasping the work of unifying ideology, the consciousness and courage of the chief procurators at all levels were further strengthened and the work impetus was increased.

B. We adopted effective measures; paid attention to investigating and handling the criminal cases committed by the personnel of the "party and government leading organs, administrative law-enforcement organs, judicial organs, and economic management department;" and made a special effort to investigate and handle the serious criminal cases committed by leading cadres. Whether we could make greater progress in investigating and handling the corruption and bribery cases committed by the personnel of the party and government leading organs, administrative law-enforcement organs, judicial organs, and economic management department, especially the serious criminal cases committed by leading cadres above the county (section) level, was an important sign for achieving results at a certain stage in the anticorruption struggle. We always regarded investigating and handling the criminal cases committed by the personnel of the party and government leading organs, administrative law-enforcement organs, judicial organs,

and economic management department, especially the serious criminal cases committed by leading cadres, as the top priority. Owing to the big difficulty in investigating and handling the serious criminal cases committed by leading cadres, in line with the relevant regulation of the Supreme People's Procuratorate, we acted in connection with reality and on the basis of carrying out investigation and study, put forward specific measures for strengthening the work of investigating and handling major and serious cases.

C. We persisted in integrating special work with the mass line as well as mobilized and relied on the masses to fight against corruption and bribery. Comrade Jiang Zemin put forward: Trusting and depending on the masses as well as combining the efforts of mobilizing the masses to report criminal cases and impelling special organs to investigate and handle cases in line with the law are the important experience of the anticorruption struggle. Last year, we further added impetus to propagating the practice of making the masses report criminal cases. The procuratorial organs across the municipality successively held two large-scale activities of propagating the practice of making the masses report criminal cases as well as carried out the activities of carrying special articles and columns on the newspapers and broadcasting special programs on the radio and television for several times. We carried out the activities of "receiving the masses who reported cases in a civilized manner," conscientiously accepted and heard the cases reported by the masses, and gave the masses a warm reception. We publicized the major and serious corruption and bribery cases to the society at the right moment in an effort to frighten criminals and enhance the morale of the masses. We awarded 59 meritorious personnel of reporting cases on a grand scale, and this effectively boosted the enthusiasm of the masses in reporting cases. During last year, a total of 4,812 economic cases with the clues reported by the masses were accepted and heard by procuratorial organs, up 12 percent over the previous year.

D. We carried out the system of making chief procurators responsible for investigating and handling major and serious cases in an effort to strengthen leadership over investigation work. In order to guarantee smooth progress in the investigation of major and serious cases, the procuratorial organs at all levels prevalently carried out the system of making chief procurators responsible for investigating and handling major and serious cases. In the course of accepting and hearing any major and serious case, the specific responsibility of chief procurators was defined in line with the principle of assigning the right authority to the right level of officials. We also prevalently established the system of making chief

procurators personally take responsibility for regularly examining major and serious cases in the order of importance and urgency. We examined the clues of major and serious cases in the order of importance and urgency, and gradually handled the clues of each case in an effort to accelerate the pace of investigating and handling major and serious cases. All levels of chief procurators personally participated in examining major and serious cases in the order of importance and urgency, conducting initial investigation, investigating cases, and carrying out preliminary trial in an effort to guarantee that the major and serious cases would be promptly concluded.

E. We strictly enforced the law in an effort to guarantee the quality of handling cases. Under the new situation of establishing the socialist market economic system, corruption, bribery, and other economic crimes appeared with the complicated trend, and it was also hard to distinguish whether some economic behaviors were guilty or not guilty. Therefore, there was big difficulty in investigating and handling some cases. In the course of handling cases, procuratorial organs at all levels conscientiously upheld the "resolute, cautious, and precise" principle, attached great importance to "accuracy," and paid attention to the following three points. 1) We placed emphasis on evidence, investigation, and study and did not readily believe confessions. We were extensive, comprehensive, and precise in collecting evidence, realistically clarified criminal facts, and strived for absolute proof. 2) We strictly carried out legal policies, correctly drew a clear line between being guilty and not guilty, and made clear the quality of cases. If we disagreed in precisely recognizing the quality, we asked for instructions from and submitted reports to higher levels, and avoided rash handling. 3) We enforced the law in a civilized manner and handled cases in line with the law. In the course of carrying out investigation, collecting evidences or trying the defendant, we paid attention to avoiding stiff, cold, and rude attitudes. In the course of detaining and arresting criminals, sealing up, distraining, and freezing relevant properties, or demanding the payment of debts, we carried out strict examination and approval in line with the regulation of relevant laws in an effort to avoid wrongly detaining and arresting people, wrongly sealing up properties, and wrongly demanding payment of debts.

Though we have achieved significant results at a certain stage in fighting corruption and investigating and handling major and serious cases, the tasks facing us are still very arduous. At present, corruption, bribery, and other economic crimes have appeared with some new characteristics. It is mainly shown in the following four aspects. 1) The cases of going against laws become se-

riously acute. According to statistics, of the cases investigated and handled during last year, the cases committed since the second session of the Central Commission for Discipline Inspection during the year before last accounted for 50 percent, and the cases investigated and handled during last year accounted for 25 percent. 2) Criminals became more greedy and took more risks, and the amount of money involved in cases grew. The amount of money involved in each case has increased immensely, and is frequently between 10,000 yuan to 100,000 yuan, and more. 3) New criminal forms endangering the implementation of reform measures have increased. In the course of establishing the socialist market economic system, corruption, bribery, and other economic crimes appear in many new situations. Hardly a new reform measure is issued before lawless persons take advantage of the opportunity to carry out criminal activities, such as defrauding the state's reimbursement of indirect taxes to exporters, manufacturing and selling the false invoices for value-added taxes, issuing false ones, issuing the invoices on behalf of other people, swindling financial capital, and carrying out speculation and profiteering activities in the securities market and the real estate market. These crimes seriously sabotage the state's macroeconomic regulation and control on the market economy, hinder the smooth implementation of reform measures, and affect the state's financial income. 4) The techniques of committing crimes become more covert and tricky, and the tricks of dealing with investigation are in a new guise all the time. Some criminals prepare meticulously for dealing with investigation while committing crimes. Some people do not just use the means of pleading for mercy but make use of various relations to interfere in investigation activities. Situations of covering up criminals and providing false evidence have also largely increased. They all make it difficult for procuratorial organs to carry out investigation work.

The "decision" of the fourth plenary session of the 14th CPC Central Committee and the important statement made by Comrade Jiang Zemin have put forward explicit and specific demands for carrying out the anticorruption struggle as well as investigating and handling major and serious cases. Therefore, we should profoundly recognize and conscientiously carry out the instructions of central authorities on carrying out the anticorruption struggle, strengthen confidence, establish the ideology of long-term battle, do a good job in fighting each battle at a certain stage, and carry out the work of investigating and handling major and serious cases in an in-depth, sustained, and effective way.

2. We regarded safeguarding social stability as the main task and further increased the impetus of giving stern blows to crimes.

Maintaining social stability was not only the general task of the entire party and entire state but also the important guarantee for establishing the socialist market economic system and promoting smooth progress in reform, opening up and economic construction. Throughout last year, we always regarded safeguarding social stability as the main task, were keenly aware of the enemy's presence, strengthened the sense of anxiety, firmly and successfully carried out the work of giving stern blows to serious criminal crimes without slightly slackening our effort, unswervingly carried out the principle of giving stern and quick blows to crimes, increased the impetus of giving stern blows to crimes, enhanced the quality of giving stern blows to crimes, strengthened the effect of giving stern blows to crimes, and cooperated with public security and court departments to conduct operations together and severely punish a large number of serious criminals in line with the law. During last year, cases involving 8,780 criminals who were brought forward by public security organs for arrest were accepted and heard, up 16.6 percent over the previous year, of which, 7,547 criminals were arrested after examination and approval, up 17 percent over the previous year. The cases involving 9,189 people who were brought forward by public security organs for prosecution were accepted and heard, up 18.9 percent over the previous year, of which, 8,103 people were prosecuted after examination and investigation, up 18.8 percent over the previous year. In the course of giving stern blows to crimes, we paid attention to the following three tasks.

First, we actively participated in the battles of giving stern blows to crimes in spring and autumn as well as gave stern and quick blows to serious criminal crimes. During last year, in line with the actual situation of Tianjin's public security, the municipal party committee and the municipal government made plans for conducting concentrated operations of giving stern blows to crimes in spring and autumn. The procuratorial organs at all levels actively participated in the battles and threw themselves into the battles with high degree of responsibility sense and fighting will. The procuratorial organs at all levels all established the leading groups of giving stern blows to crimes, made plans in a meticulous and well-conceived manner, strengthened command and coordination, and promptly resolved specific issues emerging in the work. In the course of fighting the battles, the procuratorial organs at all levels paid attention to key points and targeted on serious crimes of violence, crimes involving weapons, murder, robbery,

rape, and theft, and crimes of criminal gangs and underground organizations. For these crimes, we resolutely carried out the guiding principle of giving stern and quick blows; upheld the principle of making clear the basic facts and obtaining basic conclusive evidence; did a good job in quickly arresting, trying, and prosecuting criminals; and avoided ineffective fighting in the procuratorial aspect. In line with the plans of central authorities and of the municipal party committee, the procuratorial organs at all levels also actively participated in the special struggles of fighting against "pornography" and illegal publication, the crime of sabotaging power and communications equipment, and other law-breaking activities. The procuratorial organs of various around-the-municipality areas and five counties maintained close cooperation with public security and court departments and carried out the comprehensive management of rural public security so as to promote the stability of rural public security.

Second, we conscientiously performed the duty of legal supervision and guaranteed the quality of handling cases. In the course of giving stern blows to crimes, the procuratorial organs at all levels gave full play to their role in legal supervision; persisted in strictly abiding by the law and enforcing the law; and handled cases in strict accordance with laws, regulations, and legal procedure. For cases submitted by public security organs for arrest and prosecution, we persisted in reexamining prime evidence. We promptly arrested and prosecuted those people whose offenses had constituted crimes and the criminals who were not arrested and prosecuted. During last year, we pursued and arrested 11 criminals and prosecuted 48 criminals. We decided not to arrest 674 people because their offenses did not constitute crimes, there were no legal grounds for arrest, or their cases lacked clear basic facts and absolute proof. The procuratorates at all levels put forward opinions for rectifying the law-breaking situations in the judicial activities and filed an appeal contesting the legal decisions of 24 cases, such as applying inappropriate laws, meting out too heavy or too light punishment, and pronouncing the guilty not guilty. The court changed the original sentences of five cases.

Third, we actively participated in the comprehensive management of public security. The procuratorial organs at all levels conscientiously carried out the "regulation of the Tianjin Municipality on the comprehensive management of public security," unceasingly enhanced the recognition of the importance of the comprehensive management of public security, overcame the ideology of handling a case as it stands, persisted in paying simultaneous attention to cracking down on and preventing crimes, regarded carrying out comprehensive manage-

ment of public security as a tough task, made the comprehensive management of public security an important agenda issue, defined duties, strengthened leadership, and carried out measures. All these efforts were aimed at enhancing the social effect of giving stern blows to crimes, penetrating the work of preventing crimes throughout the whole course of handling cases, and fully using the means of the legal supervision of procuratorial organs to promote and assist relevant departments to revise regulations and systems and stop up a loophole. During last year, in the course of handling cases, we issued 389 written procuratorial suggestions to relevant units. At the same time, we adopted various forms to conduct propaganda on the legal system and used cases to explain the law in an effort to enhance the sense of abiding by the law of the entire citizens.

Through making unrelenting effort to give stern blows to crimes, the upward trend of criminal crimes was effectively curbed, and the masses and people were satisfied with the current public security situation. But there are still a number of factors affecting public security, and the task of safeguarding public security and giving stern blows to serious criminal cases is still very arduous. Therefore, we should pay great attention to conscientiously safeguarding public security, firmly and successfully carry out the work of giving stern blows to crimes without slightly slackening our effort, and create good social environment for reform, opening up, economic development, and the goal of invigorating the municipality by making people rich or become prosperous.

3. We regarded the investigation and handling of cases of violating the law by law-enforcing personnel as the breakthrough point and strengthened law-enforcement supervision in other aspects.

In line with the stipulation of the law, the procuratorial organs also shoulder the responsibility of carrying out procuratorial supervision on the law-enforcement activities of the personnel of the courts, public security organs, reform-through-labor and education centers, and other administrative law-enforcement organs. Strengthening law-enforcement supervision was the necessary demand for developing the socialist market economy. Therefore, the procuratorial organs at all levels unceasingly enhanced the recognition of the importance of law-enforcement supervision, promptly put forward opinions for rectifying the situations of failing to handle cases in line with the law and strictly enforce the law discovered in the course of handling cases, made a special effort to investigate and handle criminals cases of violation of the law by law-enforcing personnel, and carried out law-enforcement supervision wherever needed in an effort

to safeguard the dignity and unity of the state's legal system.

In carrying out law and discipline inspection, procuratorial organs persisted in investigating and handling the criminal cases of playing favoritism, committing irregularities, taking bribes, and bending the law by the personnel of judicial and administrative law-enforcement organs as the breakthrough point as well as made relentless effort to handle these cases in an effort to successfully carry out law and discipline inspection work. During last year, a total of 12 cases of playing favoritism and committing irregularities were filed for investigation and prosecution. We called on procuratorial organs at all levels to regard the work of investigating and handling the criminal cases of playing favoritism, committing irregularities, taking bribes, and bending the law by the personnel of judicial and administrative law-enforcement organs as the priority of the law and discipline inspection, strengthen confidence, and dare to investigate and handle various law-breaking cases. Various levels of chief procurators personally participated in and took command of investigating and handling the major and knotty cases with great influence, and this was a catalyst for carrying out this work. In the course of paying attention to investigating and handling the crimes of playing favoritism and committing irregularities, the procuratorial organs at all levels also strengthened the work of investigating and handling various criminal cases involved with "infringing upon the right" and neglecting of the duty; filed 31 cases of illegally taking people into custody, 18 cases of giving false evidences, and 68 cases of neglecting of the duty for investigation and prosecution; and recovered direct economic loss of more than 9 million yuan for the state and collectives through handling cases.

In carrying out inspection on prisons and reformatories, procuratorial organs further strengthened supervision on executing the verdicts and judgments of criminal cases and carrying out legal policies in prisons and reformatories. We paid attention to discovering and rectifying the situations of reducing penalties, giving a parole, and granting a bail to see a doctor in violation of the law. We also put forward opinions for rectifying the problems of locking up people in violation of the law, keeping people in custody longer than the due time, and mistreating or physically punishing prisoners.

In handling civil and administrative cases, procuratorial organs strengthened the work of filing an appeal contesting the unfair verdicts and judgments of the people's courts. During last year, we accepted and heard a total of 124 civil and administrative appeals against the final verdicts and judgments of the people's courts by citizens and legal persons, filed 28 cases for investigation

and prosecution, and filed an appeal contesting the judgments of 4 cases to the people's courts; and the court has changed the original sentence of one case.

In handling complaints and appeals, procuratorial organs upheld the principle of seeking truth from facts and rectifying whatever is wrong as well as paid attention to reinvestigating the complaints and appeals against the verdicts and judgments of courts and the cases which procuratorial organs decided to cancel. During last year, a total of 67 appeals were accepted and heard, and 13 were rectified in line with the law after reinvestigation.

4. We regarded the establishment of clean politics as the priority and further strengthened the contingent construction.

Procuratorial organs were not only the main force of giving stern blows to corruption and bribery crimes but also one of the main departments for fighting against corruption defined by central authorities. Therefore, we regarded strengthening the building of clean politics and did a good job in fighting against corruption as the important task. During last year, we organized cadres and policemen to deeply study the third volume of the "Selected Works of Deng Xiaoping" and armed the mind of cadres and policemen with the theory of building socialism with Chinese characteristics so as to make cadres and policemen take a politically firm stand and have a strong sense of political principle. During last year, we also conscientiously studied and carried out the guidelines of the fourth plenary session of the 14th CPC Central Committee and strengthened the ideological, organizational, and work style construction of leading bodies at all levels. We extensively carried out the activities of learning from the advanced units and competing in making contributions in an effort to make the broad masses of cadres and policemen carry forward the work-respecting spirit. We further established and perfected various systems of honesty and self discipline as well as the internal restrictive mechanism. Many district and county procuratorates also invited deputies of the people's congresses and all circles of society as law-enforcement supervisors and consciously accepted the supervision of the society. We deeply carried out the activities of self investigation and rectification in an effort to check the unhealthy tendencies involving few cadres and policemen who accepted entertainment and received gifts, revealed the details of cases, pleaded for mercy for the persons concerned, or took advantage of handling cases to seek personal gains. We also successively carried out two concentrated activities for strengthening discipline and rectifying work style. Generally speaking, the political and professional quality of the procuratorial contingent was progressively enhanced, and the main trend was

good. In the course of carrying out arduous tasks, the broad masses of cadres and policemen spared no effort, worked untiringly, conscientiously performed their duties, made selfless dedication, and showed good spiritual demeanor. But, owing to the influence of bourgeois egoism and pleasure-seeking, in the course of reform and opening up, there were indeed a few cadres and policemen who could not stand the test and violated law and discipline. We took a firm stand in handling the law- and discipline-breaking case, upheld the principle of investigating and handling any case as soon as it is discovered, and never shielded a fault.

Under the effective supervision and support of the people's congresses and their standing committees at all levels, we made significant achievements in procuratorial work. The standing committees of the people's congresses of the municipality and many districts and counties organized special inspection and appraisal on procuratorial organs' economic inspection and law enforcement. They not only affirmed our achievements but also put forward many good and pertinent opinions and suggestions. This was a great impetus in improving procuratorial work and strictly enforcing the law. We conscientiously carried out the guidelines of the people's congress work conference held by the municipal party committee and specially formulated some regulations on making procuratorial organs accept the supervision of the people's congresses and their standing committees in an effort to make procuratorial organs at all levels consciously accept the supervision of the people's congress.

Though we made some new progress in procuratorial work last year, compared with the demands of central authorities and of the municipal party committee as well as the expectation of the broad masses of people and various deputies, there is still a long way to go and there are still many shortcomings and problems, such as: 1) Only a small number of cases on using influence were investigated and handled. 2) Under

new circumstances, we failed to study and grasp the new situation of economic crimes. 3) Too much time was spent on handling some cases. 4) The political and vocational quality of the contingent should be further enhanced. 5) There are some difficulties in the technical equipments, communication facilities, and vocational funds. These problems and difficulties should be improved and strengthened in our work for some time to come. We also sincerely hope that various deputies would supervise and assist us to further improve our work and enhance the law-enforcement level.

Fellow deputies, we held the municipal meeting on the work of chief procurators not long ago. During the meeting, in line with the guidelines of the fourth plenary session of the 14th CPC Central Committee, the national discipline inspection meeting, the third enlarged plenary session of the sixth municipal party committee, and the national meeting on the work of chief procurators, we conscientiously analyzed the situation facing procuratorial work, and studied and defined this year's main procuratorial tasks. Under the leadership of the municipal party committee and the supervision of the municipal people's congress and its standing committee, we are determined to regard Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line as the guidance, firmly grasp the general tasks of the whole party and the whole state, and consciously serve the overall situation. We should continuously persist in regarding the investigation and handling of corruption, bribery, and other major and serious economic crimes and the stern blows to serious criminal cases, as the priority, strictly enforce the law, make relentless effort to handle cases, give full play to the role in legal supervision, comprehensively safeguard social stability, and make new contribution for deepening reform, expanding opening up, maintaining the sustained, rapid, and healthy development of the national economy, and realizing the goal of "invigorating the municipality by making people rich or prosperous.

Democratic Party Figures Denounce Li's Visit*HK1506054495 Beijing CHINA DAILY in English
14 Jun 95 p 4*

[Unattributed report: "Leaders Denounce Li's Visit to US"]

[FBIS Transcribed Text] Li Teng-hui's speech at Cornell University was nothing but an attempt to split China, a dozen senior leaders of China's non-Communist parties and the All-China Federation of Industry and Commerce (ACFIC) said at a symposium in Beijing on Monday.

Jia Yibin, Deputy Honorary Chairman of the Revolutionary Committee of the Chinese Kuomintang, said: "Li Teng-hui used to talk a lot about 'reunification.' But his recent 'private visit' to the US has revealed his true feature, i.e., that he is advocating the 'independence' of Taiwan in an attempt to split the country."

Ma Dayou, Vice-Chairman of the China Democratic League (CDL), said Li's performance in the United States well demonstrated he has embarked on a path of splitting the country with the assistance of foreign forces.

"He will surely be spurned by all Chinese," said Ma, adding his party resolutely supports the suggestions and proposals of Communist Party General Secretary Jiang Zemin, which were put forward four months ago.

He said he believes that through joint efforts of the people on both sides of the Taiwan Straits, national reunification will eventually be realized, as this is beyond the power of anybody to hinder.

Yao Jun, Vice-Chairman of the Chinese Peasants' and Workers' Democratic Party, said Li Teng-hui's preaching at Cornell University about "one China and one Taiwan" and "two Chinas" shows more clearly than ever that his visit is not a private one in the least.

Other leaders of non-Communist parties also voiced their opinions at the symposium. They pointed out some foreign forces are extremely reluctant to see China reunified and powerful. Li Teng-hui is just trying to build himself up with foreign assistance and trying to achieve the "independence" of Taiwan, they said.

Wu Daying, a leading Chinese professor of politics and director of the Research Institute of Political Science under the Chinese Academy of Social Sciences, said Taiwan's existence as a separate island state is out of the question. This is simply another attempt at advocacy by Li Teng-hui.

Touching on Li Teng-hui's boast that "sovereignty lies in the hands of the people," the professor said this is "ridiculous."

"Public opinion is not equal to democracy. With public opinion as its foundation, democratic politics can only be achieved with effective supervision of power," he argued.

Wu held that Li Teng-hui intends to damage China's sovereignty and territorial integrity, and infringe on international law and normal international relations. This will only lead to contempt for and the casting aside of Taiwan authorities by the international community.

Cai Zimin, Chairman of the Taiwan Democratic Self-Government League (TDSGL), said Li's speech is nothing but pouring lavish praise on the United States, building up himself and trying to separate China with the help of foreign forces.

Cai said, "Li spent millions of dollars of Taiwan people on his 'private visit' and to lobby the American politicians in a bid to build himself up with the help of foreigners and to show the existence of the 'Republic of China' in the world.

"This has severely damaged relations between the two sides of the Taiwan Straits and the future of reunification," Cai said at a seminar of Taiwan compatriots in Beijing, which was co-sponsored by TDSGL and All-China Federation of Taiwan Compatriots (ACFTC).

Cai said Li reiterated in his speech "people's desires are always kept in my heart." With these beautiful words, his actual deeds are contrary to the wishes of the people. In fact, he could not in the least represent their wishes and essential interests.

Zheng Jian, consultant to ACFTC, said last year, Li Teng-hui talked a lot about that he was a Japanese before he was 22. [sentence as published] Now he goes to the United States, talking a lot about how he learned the democracy of the West when he studied in the United States.

"It's so strange. How can he represent the 21 million people of Taiwan?" Zheng questioned

Radio Commentary Refutes Li's Speech in U.S.*OW1506093495 Beijing Central People's Radio
in Mandarin to Taiwan 2200 GMT 13 Jun 95*

[Commentary by reporter (Liao Xuefang): "What Are the People's Wishes?"; from the "News and Current Events" program — read by announcer]

[FBIS Translated Text] Listeners and friends, while delivering a speech at Cornell University in the U.S., Mr.

Li Denghui [Li Teng-hui] termed the Taiwan authorities' policy of promoting two Chinas or one China, one Taiwan in the international community as the common wish of the people. In view of such a remark, our reporter (Liao Xuefang) wrote a commentary entitled: "What Are the People's Wishes?"

Li Denghui's speech at Cornell University in the U.S. is seen by the outside world as a speech full of political content. Indeed, people could hardly discern any trace of a private visit in Mr. Li's speech. On the contrary, what people have sensed is Mr. Li's discontent with Taiwan's present international status, his eagerness to play an active role, and his evil intention to market two Chinas or one China, one Taiwan in the international community. Li's speech is colored by with national splittism; however, it has a high-sounding title: "Whatever the People Desire Is Always in My Heart," as if he were really a faithful spokesman for the people and were addressing the people's common wishes. It is impossible for people to keep silent about such a speech.

Several days before setting off for the visit, Mr. Li was embarrassed by the questioning of Taiwan Presidential Adviser Liang Surong [Liang Su-jung] on Mr. Xiao Wanchang's [Hsiao Wan-chang] proposal for giving up legally constituted authority over China, as Mr. Li's support for such a proposal will make the outside world believe that the Kuomintang is promoting Taiwan's independence. Mr. Li immediately confessed that he was for reunification and that he should not be misunderstood. Mr. Li's confession was undoubtedly touching, but it was not difficult for people to be aware of this fact: Even among the Taiwan authorities, there are a lot of people who maintain that some of Mr. Li's deeds are against the people's wishes—why else does misunderstanding arise? This point alone is enough to put Mr. Li's own title, "Whatever the People Desire Is Always in My Heart," in doubt.

Let's take a further look at the people's wishes. As Mr. Li's speech touches on the issues of Taiwan's future and destiny and implies that it is the people's common wish to promote two Chinas or one China, one Taiwan and eventually realize a de facto independent Taiwan, we feel it is necessary to analyze this point. First of all, we should make it clear that the people should refer to all Chinese people, and the wishes are those of all Chinese people, because Taiwan is an inalienable part of China's territory. If Mr. Li is not too forgetful, he should remember that he has repeated similar remarks in the past few years. According to Mr. Li's remark

about popular sovereignty, then, Taiwan's future and destiny, which involve the issue of sovereignty, should be decided by all Chinese people. In Mr. Li's speech, however, the 1.2 billion people of Mainland China are completely excluded. He talked only about high-sounding ideas such as "whatever the people desire, the realm must follow" and mentioned not a word about the wishes of the people of Mainland China. Such brazen and total ignorance of the wishes of the people of the motherland and the action of opposing Taiwan's partial interest to that of the Chinese nation should never be committed by a mature statesman.

Secondly, we want to point out that Mr. Li's remarks in the speech about the Taiwan authorities and his meticulous plan for promoting two Chinas or one China, one Taiwan in the international community conform to the needs and wishes of the people actually describe a trend. It is well known that the ultimate aim of the Taiwan authorities' promotion of two Chinas or one China, one Taiwan is to create a de facto independent Taiwan. Taiwan independence, however, is firmly opposed by the overwhelming majority of people on the island. As for some people's misunderstanding of and even variance with the motherland, these are also the result of sedulous misleading by the Taiwan authorities and a handful of splittists on the island. Mr. Li and the Taiwan authorities are misleading the people on the one hand, and are trying to gain the trust and sympathy of the world for the distorted wishes of the people on the other hand. Such a political tactic can hardly be called unintelligent, but its success is clearly based on contempt for the people's wishes. A statesman who advocates "whatever the people desire, the realm must follow" should by no means engage in such a practice.

We would like to make it clear that we have never opposed Mr. Li's use of "whatever the people desire is always in my heart" as his code of conduct. We do not intend to accuse Mr. Li of never following the people's desires, either. What we oppose is Mr. Li's collaboration with Taiwan independence elements, the internationalization of the Taiwan problem, and the dangerous game of promoting two Chinas or one China, one Taiwan in the international community, because this is fundamentally at odds with the people's wishes. If Mr. Li and the Taiwan authorities cling obstinately to their own course and insist on demanding the impossible, then what they are faced with is definitely not a favorable turn as expected, but an outright crisis.

Correction to Military Exercises Linked to Li
HK0906031995

The following correction pertains to an item headlined "Military Exercises Due to Trip" published in the 8 June China DAILY REPORT on pages 90-91: Page 90, column one, third full paragraph, sentence

two, make read: ...military exercise in Taichung, to prevent an...(correcting transliteration of place name). Same page, column two, penultimate paragraph, sentence three, make read: ...recently protested to Lu Chao-chung, Taiwan representative in...(correcting transliteration of place name).

Li Compares 'Taiwan Experience' With Work Ethic

OW1506112695 Taipei CNA in English
0151 GMT 15 Jun 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, June 14 (CNA) — President Li Teng-hui said Wednesday that the bundle of economic and political reforms known collectively as the "Taiwan experience" could serve as a unique example to the world and have a profound effect on its future.

He compared the Taiwan experience to "The Protestant Ethic and Spirit of Capitalism" — the best known work of the late German sociologist Max Weber.

Just as Weber's intertwining of Protestantism and capitalism influenced historical thought as well as the sociology of religion, the "Taiwan experience" could have a far-reaching influence on human civilization, Li asserted to a group of teachers being honored for their contributions to education.

He said the "Taiwan experience" was the result of the concerted efforts of Taiwan's 21 million people, calling it "an invaluable theory" that should in no way be ignored.

Li, who just returned from his US trip on Monday, said the purpose of his visit was to make the ROC [Republic of China] better understood by the world. He also lashed out at criticism over his trip by Beijing, which through the NEW CHINA NEWS AGENCY [XINHUA], its mouthpiece, accused Li of acting like a "naughty boy," and claimed his visit was meant as a push for Taiwan independence.

"As if I was their kid," Li said, incredulous at the claim. "It sounds ridiculous."

He said the Chinese communists had fired a salvo not only at himself, but also at Taiwan's system, adding that Beijing's charges stemmed from its lack of understanding about Taiwan. He said Beijing leaders should receive "modern educations."

Li on Sunday ended a six-day "private" visit to the United States, primarily intended to deliver a speech at his alma mater, Cornell University, during a class reunion.

Li Teng-hui Meets South African Archbishop Tutu

OW1406143995 Tokyo KYODO in English
1405 GMT 14 Jun 95

[FBIS Transcribed Text] Hong Kong, June 14 KYODO — Taiwan President Lee Teng-hui [Li Teng-hui] on

Tuesday [13 June] met Archbishop Desmond Tutu from South Africa and discussed democratization and political reform in Taiwan and South Africa, according to media reports from Taipei.

Tutu, the 1984 Nobel Peace Prize laureate, met Taiwan Premier Lien Chan earlier in the day on his first visit to Taiwan.

Some observers take Tutu's visit as part of Taipei's efforts to retain relations with Johannesburg.

South Africa has been expected to establish diplomatic ties with China and break off ties with Taiwan following the victory of the African National Congress (ANC), which has close relations with Beijing, in South Africa's first multiracial election in the spring of 1994 when ANC leader Nelson Mandela became president.

Official Expects 'Good Investment' With Chile

OW1506113195 Taipei CNA in English
0129 GMT 15 Jun 95

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, June 14 (CNA) — Taiwan's trade ties with Latin America have become very close in recent years, and the China External Trade Development Council (Cetra) expects especially good investment prospects for Taiwan businesses in Chile.

Lu Wen-re, head of Cetra's Market Research Department, noted on Wednesday that Argentina, Brazil, and Chile are Taiwan's main Latin American trading partners, but warned that Argentina and Brazil face financial crises while Chile offers the best investment prospects because of its sound economic structure.

He said the Argentine and Brazilian currencies were overvalued, warning that although Taiwan exports would benefit from the added purchasing power of Argentina and Brazilian importers, each of the countries could face a financial crisis like Mexico's. Though that has not yet happened, he urged Taiwan manufacturers to exert great discretion in doing business with the two nations.

Lu said that the prospects for Taiwan-Chile trade were good given Chile's sound economy and the fact that both Taiwan and Chile are members of the Asia-Pacific Economic Cooperation forum.

Two-way trade between Taiwan and Chile hit US\$868 million in 1994, and the figure is expected to increase this year.

In general, Taiwan's trade with Latin America has been good during the first half of the year, although trade with Mexico and Venezuela has cooled following the

crash of the Mexican peso and the imposition of foreign-exchange controls in Venezuela.

***Air Tactical Training Center Featured**

95CM0224A Taipei CHIEN-TUAN K'E-CHI
[DEFENSE TECHNOLOGY MONTHLY] No 127 1
Mar 95 pp p 18-31

[Unattributed article: "The Republic of China Air Force (Part 2). Tactical Training Center Aimed at the MiG"]

[FBIS Translated Text] In the steamy heat on the ground among the rivulets beside Dulan Shan on Taiwan's east coast, a silver combat plane bearing a red serial number passes, its engines emitting a deep roar and whistle. The red star on its vertical stabilizer strikes the eyes and jars the mind!

Chihhang Base.

Chihhang Base (see page 84 of issue 52 of this magazine) in eastern Taiwan sits between the mountains and the sea. Not only is it a large home base for the transitional training of pilots who have graduated from Air Force Officers School, but it is also the supreme institution for tempering the in-air combat skills of Taiwan's pilots. The base has a tactical training center. (Among Asian nations, currently only Taiwan, South Korea, and Thailand have tactical training centers). Like the American Navy's Fighter Weapons School at Miramar Aviation Station (see issues 25 and 37 of this magazine), it is the cradle of the top guns of the Republic of China [ROC] air force. Planning of the Chihhang Base in eastern Taiwan began in November 1969 for the purpose of developing an eastern base, to increase in-depth combat capacity, and to improve sustained warfare capabilities. Work on the base formally began in February 1970, and on 16 August 1971, the Twelfth Base Service Regiment was established at Chihhang Base to prepare for occupancy by flying units.

On 1 April 1972, Chihhang Base established a unit training center. On 1 November of the same year, the former Second Wing's 44th training unit took occupancy and began flight training. On 13 December 1977, the unit training center was redesignated the East Taiwan Air Force Command, and on 1 November 1978, it was enlarged to become the Seventh Tactical Fighter Wing, under which was the Seventh Combat Squadron, the Seventh Repair Squadron, the Seventh Basic Services Squadron, and the Medical Group. The Seventh Combat Squadron consisted of three combat groups, the 44th, 45th, and 46th.

Tactical training center.

In 1963, for the first time, the Taiwan Air Force sent personnel for training at the United States Air Force Fighter Weapons School. Following their return to Taiwan, the Fourth Wing set up a bombing and strafing class, which taught combat pilots principles and applied tactics for air-to-air and air-to-ground strafing and bombing. Before the end of the Vietnam War in 1975, the Taiwan Air Force once again sent personnel to the United States to undergo flight training with the F-5 Fighter Weapons Officer Training Team. Following training, they returned to Taiwan together with American instructors. The First Wing in Taiwan set up an F-5E fighter bombing and strafing class, which conducted air-to-air and air-to-ground tactical training. Initially, the main purpose of the bombing and strafing class was training seed instructors, but beginning in 1976, it changed to training all fighter units.

On 1 January 1984, the bombing and strafing team of the First Wing was put under the Seventh Wing in eastern Taiwan, and the former 46th Group was expanded to become the 46th Independent Group. It began concentrated tactical training of all combat units and was responsible for training bombing and strafing instructors. During 1985 and 1986, the Air Force hired retired American Air Force officers to serve as an imaginary enemy, establishing an imaginary enemy training capability for the 46th Independent Group. It applied collected intelligence, studied enemy tactical warfare and methods, and conducted aerial exercises. To satisfy training needs, on 1 July 1988, the Taiwan Air Force formally imported aerial combat maneuver instrumentation (ACMI), and it renamed the expanded 46th Independent Group the Air Combat Tactical Training Center (TTC) to which the 46th Group and the ACMI team were attached.

The peacetime duties of the Chihhang Base Tactical Training Center are primarily to train fighter pilots of all units and radar intercept and control officers of combat control wings, to conduct concentrated tactical training, and to work with the Chungshan Research Academy on the development of new weapons, as well as to provide tactical data and do research on methods of operation. In addition, it conducts research on the performance of all Chinese Communist weaponry and simulated enemy tactics and methods of operation, and it uses ACMI in imaginary enemy exercises. Therefore, the training program is divided into concentrated tactical training classes and imaginary enemy training. Its wartime duty is the aerial defense of eastern Taiwan.

Concentrated tactical training class.

Four concentrated tactical training classes are held each year, each class having six to eight trainees for a three-

month training period. However, not just anyone can come to the center for training. Trainees have to have 1,000 hours or more of flying time and be senior pilots with experience as pathfinders with two different kinds of aircraft. During the training period, aerial combat training is in a highly threatening environment of one on one or two, of two and four on four, or multiple numbers of planes against each other. The aim is to learn how to master the aerial combat environment, how to use weaponry effectively so that once training has been completed, trainees will be able to function as aerial combat pathfinders and tactical training instructors.

In addition, because of their understanding of the enemy and our own postures in aerial combat, intercept and control officers have extremely great influence. Therefore, the concentrated tactical training classes also assigns senior intercept and control officers for joint training, the training period also being three months. The curriculum includes course work theory and F-5F fighter plane rear-seat familiarization flight training to give intercept and control officers an understanding of what is required of pilots at every stage of aerial combat. In addition, exclusive radar stations are used to conduct training in all intercept and control methods. It should be noted that the intercept and control officers receiving training in these concentrated aerial combat training courses have never worked with the other pilots in training. They are matched up for training only after arriving at the center.

Imaginary enemy field exercises.

The famous imaginary enemy training consists mostly of ways to overcome the enemy and tactical methods of operation that have been worked out on the basis of performance data for all types of fighter plane weapons of imaginary enemy countries that have been collected, as well as data obtained over the years from pilots who have defected from the Chinese Communist air force. It also includes imaginary enemy training methods derived from live training exercises and from the imaginary enemy aerial exercises of 46th Group instructors and trainees.

ACMI

The ACMI used at the Taiwan Air Force Tactical Training Center is a tactical fighter pilot training system produced by the American Cubic Corporation on which planning began in 1984 and which began to be used formally in February 1990. The ACMI system includes four subsystems, namely the on-board system, the data transmission system, the control system, and the projection system.

The on-board system is an orange colored sensing pod similar to that of the AIM-9 sidewinder missile that is suspended from the fighters' wing tips. The data transmission system consists of an aerial combat training field made up of one main tracking station and five supplementary tracking stations. The control system includes six computers and peripheral systems responsible for rapid calculation of the fighter's position and for simulating weapon launch results for projection system display. Finally is the projection system located within the tactical training system. It includes an image processing computer, a fire control computer, and two screens. It is able to record all exercise data and provide replays for the pilot's review and study.

The ACMI system can cover a 6,216 square-km (2,400 square mile) aerial exercise area at an altitude ranging from 15 to 17,678 meters (50 to 58,000 feet). It can simultaneously accommodate 18 aircraft engaged in training and can simulate the launch of 50 weapons. The types of weapons it can simulate include all the air-to-air and air-to-ground weapons currently in use in the air force. In addition, the ACMI system can display both aerial combat and projectiles fired toward the ground. During aerial combat exercises, it can immediately determine results and record pictures of them. In attacks on the ground, it can immediately make impact corrections. Finally, during mission review, it can effectively recombine the entire aerial combat process, showing the strengths and weaknesses of individual pilots.

Mission

Chihhang Base is currently responsible mostly for training Taiwan fighter pilots. Its 44th and 45th groups are responsible for the additional training and tactical training of air force graduates. Following graduation, air force officers are sent to either the Taoyuan or Chiayi base for F-5 simulation training, after which they go to the 44th and 45th groups for six months of training during which they complete approximately 85 sorties. The combat training center is responsible for specialized training, principally tactical combat training, course instructor training, and the tactical rotational training of fighter units, as well as for aerial reconnaissance missions over the ocean in eastern Taiwan.

However, inasmuch as the F-104s in the Taiwan air force are gradually being decommissioned, and the Taiwan-made IDF [independent defense force] fighters have only just taken their place as a second generation fighter (see page 8 of issue 126 of this magazine), the F-5E has become the main plane in the Taiwan air force. However, in view of the war preparedness mission, and the need to continue training, the number of fighter planes is far fewer than required. Therefore, in order to

maintain the pilots' flying skills, not only has the Taiwan Air Force leased some T-38 Lihua [0448 3629] trainers so that pilots can put in a sufficient number of flying hours, but it has also transferred pilots from the retired F-104s to Chihhang Base for retraining. This permits both maintenance of the number of flying hours and also improves the shortage of pilots resulting from the further study of English or the flying of AT-38s in the United States.

In-service aircraft.

Two models of F-5E and F-5F Tigers are the only fighter planes currently in use at the Chihhang bases, but there are some differences between them. For example, an overwhelming majority of planes that the 44th and 45th groups use for transitional flight training are unmodified F-5E's and F-5F's, but from time to time one sees a few later improved model F-5E's and F-5F's. The early model F-5E's and F-5F's have a flat antenna on the tip of the vertical stabilizer and the nose of the plane has a black radar housing. In addition, the ejection seat head rest is red. The entire fuselage is camouflaged with alternating dark and light gray coloring, and the characters "Chung Cheng" are painted in black on both sides of the nose. The airplane serial number is in black behind the air intake and the national emblem. Some fighters have the emblem of the Seventh Regiment and a sequential number painted in black on the vertical stabilizer. Except for the black regimental emblem and number, the plane has no other markings.

Virtually all the planes at the 46th imaginary enemy group at the tactical training center are F-5E and F-5F improved types bearing a dark gray shark's head radar housing on the nose. Both the nose of the planes and their engine tail pipes carry flat antenna, and the ejection seat head rest is also black. The 46th group also has several early model F-5Es and F-5Fs.

The painting on the 46th Group's fighter planes may be considered the most extraordinary of any planes in the air force. The painting is of two kinds. On the one kind, the forward half of the fuselage has a three-colored jungle camouflage, and the black characters "Chung Cheng" have been moved from the nose to behind the air intake and the national emblem, while the fuselage serial number has been moved to the plane's nose. An imaginary enemy unit insignia on a blue background and a red sequential number is painted on the vertical stabilizer. On the other kind, the entire fuselage is painted silver, and the black characters "Chung Cheng" are also behind the national emblem, but the red fuselage serial number on the nose of the plane has no yellow outlining, and the background for the imaginary enemy

unit emblem on the vertical stabilizer has also been changed to black.

Virtually all the flight helmets of pilots in the Seventh Regiment are those currently in use in the United States Air Force. They are the rather lightweight gray Model HGU-55/P and the oxygen masks are Model MBU-12/P. These helmets carry no markings of any kind in two of the groups, but in the 46th Group, they are decorated with six large and small red stars outlined in white.

A majority of the pilots in the Seventh Regiment wear olive colored flying suits. In the 44th and Fourth groups, the group emblem appears on the front of the right chest, and the right shoulder carries an F-5E airplane shoulder patch. The left shoulder carries a tiger's head shoulder patch. In the 46th Group, an imaginary enemy group emblem appears on the right chest and an airplane shoulder patch on the left shoulder, but the imaginary enemy shoulder patch does not appear on the left shoulder. It has been replaced by a patch reading "top gun imaginary enemy instructor pilot."

Outlook.

Although the second generation IDF, the F-16 MLU, and Mirage 2000-5 aircraft will remain in service, the mission of the Chihhang Base will continue to be the transitional training of air force officer graduates and seasoned unit pilots. This means that air force officer graduates will continue to go first to the Chihhang Base for six months of unit training, partly for a transition to the F-5Es and partly to take combat courses, after which they will go to units.

This is because were the pilots to go directly to a unit to fly second-generation aircraft after completing the flying of AT-38s, because of their lack of sufficient operating and flying hours and their lack of tactical knowledge, this might be more than they could stand, and they would place a substantial burden on the unit. Furthermore, there is much more air space to cover in eastern Taiwan than in western Taiwan, and the weather is better, too. Thus, more concentrated training can be done there, and some pilots not suited to flying can be washed out. Thus, going to the Chihhang Base to fly F-5Es is more cost effective than flying second-generation aircraft directly.

Once the transition to second-generation fighters occurs, in order to maintain the number of fighters at more than 400, the Air Force may retain in service some of the F-5E's and F-5F's that are in better shape. The remaining old fighters will be cannibalized for spare parts and components. Except for a few that will continue on war preparedness duties, these F-5E's and F-5F's that continue in service will be concentrated at the Chihhang

Base where they will serve as transitional aircraft before Air Force Officer School graduates begin to fly second-generation aircraft.

Types of Aircraft in Use at the Chihhang Base

Aircraft Model	Service Period
F-86	March 1972-May 1977
T-33	January 1972-March 1982
F-5A	July 1977-November 1983
F-5B	July 1977-January 1985
F-5E	January 1981-
F-5F	November 1981-

As for the F-104G's, F-104J's, F-5E's and F-5F's currently in service, ACMI can currently satisfy training needs. However, because of changes in second-generation airplane characteristics, fire control radar, and air-to-air missiles, ACMI-system capacity will certainly not meet needs. Consequently, the Tactical Training Center is currently conducting research with the contracting plant to expand the aerial coverage capabilities of the ACMI system.

Furthermore, since the equipment circuits on fighter planes must match the ACMI in order to be able to transmit data signals via the pods suspended beneath the wings, the Air Force is also studying fighter plane circuits. As for the transitional second-generation fighters, the Taiwan-manufactured IDF fighter should pose no problems fitting in, and advance planning is underway for the F-16A/B MLU and Mirage 2000-5.

In addition, the Taiwan air force also has ways to counter the threat from new model Chinese Communist air force aircraft such as the updated Su-27. Major General Ch'en Chia-lin [7115 1367 7792], who flew F-86 fighters and serves as commander of the 23rd Self-Reliant Group, as well as commander of the Fourth Regiment, and who was transferred in August 1993 to the Chihhang Base as deputy commander of the Seventh Wing, made with the practiced eye of a professional pilot the following remarks about the new Chinese Communist Su-27 fighter: Its low-altitude capabilities are extremely outstanding. If the low-altitude air-combat capabilities of the world's fighter planes were put in four classes, the Su-27 would rank first, the F-16 and the MiG-29 second, the F-18 third, and the Mirage 2000 only fourth.

Therefore, though currently few in number, the Su-27s pose a certain amount of threat to Taiwan. This is because until such time as the updating of second-generation fighters in Taiwan's air force is completed, the air force will do all possible to increase the in-service rate of its F-5E fighters and intensify night combat training, doing all possible with existing equipment to narrow the difference in combat capabilities between the two sides of the straits in order to get through this period.

Concluding remarks.

As the Taiwan air force makes a transition to second-generation fighters over the coming several years, and in view of the new situation on both sides of the Taiwan Strait, the Chihhang Base and the Tactical Training Center are conducting preliminary planning and necessary readjustments. Nevertheless, one point is certain, and that is that is that Chihhang Base will continue to be responsible for training the top gun fighter plane elite for Taiwan's air forces. Furthermore, these superior beings with red stars painted on their helmets will continue to be defending warriors pointed directly at the hearts of MiG's to strike terror into the enemy's heart.

Major Events at Chihhang Base

1970	Construction of base begins
1971	Twelfth Base Logistics Regiment established
1972	Unit training center established
1977	Redesignated East Taiwan Air Force Command
1978	Expanded to Seventh Tactical Fighter Wing
1984	Named 46th Tactical Fighter Unit
1988	Named Tactical Training Center
1991	Work completed on Chien-an No. 377 Project

Government To Share Asian Development Experience

*OW1406112495 Taipei CNA in English
1012 GMT 14 Jun 95*

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, June 14 (CNA) — Taiwan will establish a rural development foundation in August to extend its development experience to neighboring nations, according to Council of Agriculture Chairman Paul Sun.

Initially, the foundation will target mainland China and Southeast Asia, with operations eventually expanding throughout Asia, Sun said, adding that the foundation budget will be at least NT\$1 billion (US\$39 million).

The foundation is the brainchild of ROC President Li Teng-hui and will be sponsored by 20 noted entrepreneurs, including Formosa Plastics Group head Y.C. Wang, President Group's Kao Ching-yuan, Wei Chuan Group's Huang Lieh-ho and Lien Hwa Industrial Group's Miao Yu-hsiu.

Li, an agronomist-turned-president, has often called for using Taiwan's developing experience to help mainland China solve its rural development problems.

The foundation will play an intermediary role in cross-Taiwan strait agricultural interflows, Sun added.

Hong Kong

Further Reportage on Appeals Court Agreement

Official Warns of Problems

HK1506070395 Hong Kong EASTERN EXPRESS
in English 15 Jun 95 p 2

[By Rain Ren]

[FBIS Transcribed Text] Beijing has warned Britain not to expect that the court of final appeal agreement will lead to rapid solutions to other outstanding issues. A Hong Kong-based senior Chinese official said the agreement on the establishment of the court of final appeal reached last week should not be interpreted as "the beginning of the ending of problems" in other areas, "although we do hope that it will be a new start for the Sino-British co-operation over Hong Kong's transition".

The Chinese official said this amid British optimism that Beijing may begin to adopt a more positive attitude towards a number of unresolved issues, including the finalisation of the two financial support agreements on the new airport, and the franchise for Cargo Terminal Nine (CT9).

However, the thawing of relations between Britain and China appears to be cooling again because the Government's controversial proposed mandatory provident fund (MPF) was gazetted last Friday — the same day the court bill was gazetted. The Chinese official said that the beginning of the legislative process to establish the MPF without China's approval could not be considered "a positive sign" for Sino-British cooperation. "The bill was gazetted without consultation with us. How can we expect to agree on anything if Britain has an attitude like this?" the official said.

The Governor, Chris Patten, said yesterday he hoped that the CFA agreement would break the logjam and make it easier to reach agreement on other issues. He hinted that China might be consulted about the details of the MPF legislation.

The stock market yesterday rose by nearly 300 points, with the Hang Seng Index closing at 9364.7, in response to rumours that Beijing might soon give CT9 a green light "As far as CT9 is concerned, the ball is in the British court," the Chinese official said, adding that China had put forward a proposal to Britain on the matter and was waiting for a response. The official said some problems remained with terminals 10 and 11, and the Hong Kong Government was still in the process of negotiating with potential bidders, hinting that the two sides were still far from an agreement. Solutions to problems should come from the efforts of both sides, not by applying pressure on Beijing, he said. Apart

from CT9, there is a long list of outstanding issues on the agenda of the Sino-British Joint Liaison Group, including the issuance of passports and the application to Hong Kong of hundreds of international treaties extending beyond the 1997 handover.

It is understood that both sides have not held meetings for a long time on the two airport financial support agreements, since senior Chinese officials openly blamed Britain for making "additional demands" which China believes would impose a financial burden on the special administrative region government.

Sources said the SAR passport issue, the right of abode and visa agreements would be the next stumbling blocks to be faced by Britain and China.

Poll Shows Support

HK1406141795 Hong Kong Television Broadcasts
Limited in English 1200 GMT 14 Jun 95

[From the "News at 8:00" program]

[FBIS Transcribed Text] The government's Court of Final Appeal agreement has the support of a majority of Hong Kong people, according to a TVB [Television Broadcasts Limited] poll. But more than 50 percent of those asked say they don't understand what the agreement means. Annabel Roberts reports:

[Begin recording] [Roberts] The Court of Final Appeal bill had its first reading in Legco [Legislative Council] today. The Attorney General Jeremy Matthews reminded legislators of why, in the government's eyes, Friday's [9 June] agreement is acceptable. Meanwhile, a poll conducted for TVB has found as many as 56 percent of people say they don't understand the agreement. Twenty-six percent say they accept the latest deal with China; only 8 percent are against it. [video shows 25.5 percent in favor, 8.5 percent against, 10.4 percent decline to comment, and 55.6 percent do not understand] One possible amendment to the bill seeking to increase the ratio of overseas judges has the support of 47 percent of those asked. [video shows 47.4 percent in favor, 17.4 percent against, 22.7 percent decline to comment, and 12.5 percent have no opinion] But the democratic party's concerns about the powers of the court are not widely shared. The democrats are anxious that the court has no jurisdiction over act of state and want amendments ratifying this. People are equally divided about the importance of this matter. [video shows 25.3 percent in favor, 25.4 percent against, 34.1 percent decline to comment, and 15.2 percent have no opinion] A majority of 52 percent say that if it is a question of the Chinese withdrawing support for the court if the bill is amended, then they would rather accept the bill as it

stands without amendments. [video shows 24.9 percent favor an amended bill, and 51.6 percent favor agreement on the current bill] Analysts say people don't want to jeopardize it all together.

[Robert Chung, Hong Kong University] When they were confronted with a choice, that they could have a better CFA [Court of Final Appeal] but that it could not straddle 1997, or a court which is stipulated by this agreement and is sure to be there in 1997, then they tend to choose the second option; that means they would rather have a convergent arrangement.

[Roberts] Overall, confidence in a smooth transfer to Chinese sovereignty in 1997 has not been boosted by Friday's agreement. After a peak of 45 percent back in January, the confidence rate has now slipped to 41 percent. [video shows confidence at 34.9 percent at 1,000 days before the handover, 45.2 percent at 900 days, 42.7 percent at 800 days, and 40.5 percent today] The Court of Final Appeal bill should be voted on in Legco before the end of this legislative session in July. Annabel Roberts, TVB News [end recording]

XINHUA Views Court

OW1506093395 Beijing XINHUA Domestic Service in Chinese 1123 GMT 9 Jun 95

["News Material": "The Issue on Hong Kong Court of Final Appeal" — XINHUA headline]

[FBIS Translated Text] Hong Kong, 9 Jun (XINHUA) — Since Britain's occupation of Hong Kong, the Privy Council in London has been holding Hong Kong's right of final appeal. In December 1984, the Chinese Government proposed, in the Sino-British Joint Declaration, the basic principles for dealing with Hong Kong issues after 1997 and clearly noted that the future Hong Kong Special Administrative Region [SAR] will have independent right of final appeal. Specific stipulations on these principles have been incorporated into the "PRC Basic Law of the Hong Kong Special Administrative Region," which was adopted in April 1990, hence the problem of the Hong Kong Court of Final Appeal [CFA].

To accumulate experience in the course of establishing the Hong Kong CFA for the smooth operation of the court after 1997, the Chinese side agreed and started, in the summer of 1990, to conduct consultations with the British side on issues concerning the establishment of the Hong Kong CFA.

Based on the four earlier rounds of expert talks and following principles in line with the Basic Law, a principled agreement on this issue was achieved at the 20th meeting of the Sino-British Joint Liaison Group [JLG] in September 1991. Both sides agreed

to set up a court of final appeal in Hong Kong at a suitable time before 1997. Both sides should conduct full consultations at every stage of the preparations for setting up the court of final appeal, and it was agreed that the Hong Kong CFA will be composed of four standing judges and that there will be two name lists of non-standing judges — one for local non-standing judges and the other for overseas non-standing judges. To hear a case, an adjudication division will be composed of four standing judges and one non-standing judge, and the latter is to be selected from the two name lists.

In October 1991, the Hong Kong-British Legislative Council, which is only a consultative organ, adopted a so-called "motion," demanding that the arrangement in the Sino-British principled agreement not be adopted in appointing judges to the court of final appeal in the future. The matter of establishing a court of final appeal was thus shelved.

In May 1994, the British side again brought up the issue of setting up the Hong Kong CFA at an early date before 1997 and submitted a draft ordinance to the Chinese side. By December of the same year, the Chinese side submitted three lists of questions involving the establishment of the Hong Kong CFA, asking for explanations and answers from the British side. By the end of January 1995, the British side again submitted the revised and latest version of the draft ordinance to the Chinese side.

In March 1995, after a lapse of three and a half years, the Sino-British JLG held the fifth round of expert talks on the issue of the Hong Kong CFA, at which the Chinese side put forward the positive suggestion that bilateral consultations be focused on seven aspects and asked the British side to promise "not to take unilateral action before both sides reaching an agreement," which the British side refused to do.

In the middle of last May, the political affairs group under the Preliminary Working Committee of the Preparatory Committee for the Hong Kong SAR put forward an eight-point principled opinion on the issue of the Hong Kong CFA. Meanwhile, China and Britain held three successive rounds of expert talks between April and June. At the seventh round of expert talks, at the end of May, the Chinese side proposed a package of constructive schemes for the settlement of the problem and received a positive reply from the British side. In protracted consultations, China and Britain reached a consensus on this issue on 9 June. On the afternoon of the same day, chief representatives of the two governments signed the agreement.

Governor Defends Court

HK1506072995 Hong Kong SOUTH CHINA
MORNING POST in English 15 Jun 95 p 19

[Article by Hong Kong Governor Chris Patten: "Protecting the Law"]

[FBIS Transcribed Text] It is invariably the sign of a poor case when a politician resorts to the kind of pejorative cliches which Martin Lee wheeled out in his article on the Court of Final Appeal (CFA) yesterday. The sun "sets in shame" (of course) on the British empire as the pusillanimous Patten does "Beijing's dirty work".

Profound stuff this, and it's given a little additional weight by Mr Lee getting his facts wrong by inventing quotes and ascribing them to me. I look forward to Mr Lee telling your readers when I described "acts of state" as a "small hole" in the common law, or when I argued that the agreement with China "heralds a new era of co-operation". As Mr Lee will know, making up the evidence would not go down too well in one of our courts.

How does Mr Lee's argument stand up if we drop the rhetoric and concentrate on the real issues?

Mr Lee makes three main points in his article.

First, he argues that because China has changed its position since 1991 on the early establishment of a CFA, this raises questions about whether any agreement with China on the CFA is bankable. This neatly glosses over the reason why the 1991 agreement with China has not been implemented by now.

Why? Because Mr Lee and his Legco [Legislative Council] colleagues led the opposition to it on the alleged grounds that the composition of the court infringed the Joint Declaration and the Basic Law. There is not a shred of convincing legal evidence to support this. This constitutional lawyer whose original opinion provided the basis for opposition to the 1991 agreement has subsequently argued only that the agreement might infringe the "spirit" of the Joint Declaration and Basic Law.

As lawyers well know, you do not win cases by appealing to the "spirit" of laws. I defy Mr Lee or anyone else to explain to the people of Hong Kong how the 1991 agreement on the composition of the court breaches either the Joint Declaration or the Basic Law. It is a wafer-thin argument, and it is a tragedy for Hong Kong that Mr Lee and others used it to de-rail the 1991 agreement.

Of course I would have preferred the court to be up and running earlier. I campaigned hard for that. But

since that was not possible, the main objective for a government which cares about the rule of law in Hong Kong was to set up a court with the same jurisdiction, subject to the Basic Law, as the Judicial Committee of the Privy Council; to ensure that there would be no legal vacuum on July 1, 1997, and to ensure that the detailed legislation implementing the CFA was on the statute book as soon as possible, preferably before the end of July this year, to give international investors and Hong Kong people the confidence about the CFA which they have been seeking. Our agreement does precisely that.

Second, Mr Lee claims that Britain has "accepted the PWC's proposals, including the previously rejected control of the selection of the CFA's chief justice and the explicit acceptance of China's faulty definition of acts of state".

We have indeed accepted that the meeting to select the first chief justice will be conducted by the chief executive. But we only did so after the Chinese side had confirmed explicitly that the recommendation as to the chief justice should be made by the members of the independent commission referred to in Article 68 of the Basic Law, and that the chief executive would take no part in making the recommendation. And once the first chief justice has been appointed the chief executive will have no further role in the conduct of commission meetings.

Thirdly, as for "acts of state", it is nonsense to suggest that we have accepted China's definition of the term. We have done no such thing. What we have done is agree to incorporate the precise wording of the Basic Law on "acts of state" into the CFA Bill.

We accept that the arguments about the definition of "acts of state" raise important questions about the relationship between the Basic Law and the English Common Law, which China has pledged in the Joint Declaration to uphold in Hong Kong after 1997. These are points which will have to be resolved in the courts after 1997.

But the plain fact is that the Basic Law will be the law of Hong Kong after 1997, and whatever we do now the CFA would have to be compatible with the Basic Law after 1997 anyway.

Mr Lee claims that this is "doing Beijing's dirty work". But he then flatly contradicts himself by announcing that the Democratic Party "will amend the CFA Bill ... to bring it in line with the Joint Declaration and the Basic Law". So, when Mr Lee tries to amend the bill to bring it into line with the Basic Law it is standing up for principle: but when the Hong Kong Government

does it's kowtowing to Beijing. A touch of double standards, here?

In concentrating on these three issues, Mr Lee ignores the situation we were faced with, thanks in part to his own efforts. The choice open to us was either to introduce the CFA Bill into Legco without Chinese agreement, and with only a remote prospect of securing its passage unscathed, and with no guarantee that the court would survive 1997, or to leave it for the SAR government to set it up after 1997, with no guarantees at all about when and on what basis this might be done.

The agreement we have reached means Hong Kong is spared fetching up in either of these dead ends.

China has abandoned its argument for a "post-verdict remedial mechanism", a notion which would have been disastrous for the rule of law in Hong Kong, China has also dropped the proposition that the CFA be barred from considering the constitutionality of laws.

Instead it has agreed that Hong Kong will have a proper CFA after 1997 with — subject to the Basic Law — precisely the same function as the Judicial Committee of the Privy Council (which will continue its work until June 30, 1997).

And, crucially, Legco is in a position, if it chooses, to nail all this down now, by passing legislation to enact the comprehensive, fully-armed CFA Bill into law by the end of July.

Hong Kong's rule of law is the bedrock of its prosperity, the ultimate protection for the rights and freedoms of our people.

It is, I firmly believe, Hong Kong's most precious asset. This agreement will help to protect it and protect Hong Kong.

It is a good agreement, and widely recognised as such — not least by some here and abroad who have been critical of agreements reached in the past.

The chief justice has welcomed it. Local and international chambers of commerce here have welcomed it, without exception.

The United States, Japanese and Australian governments have welcomed it.

And Hong Kong people appear to welcome it too; the first major poll carried out since the agreement found 3:1 support for it from the Hong Kong community.

I am sorry that despite all this and deaf to the arguments, Mr Lee feels he has to go on denouncing an alleged British sell-out. This is knee-jerk stuff. It saves having to take tough but responsible decisions.

This is no sell-out; it is a good agreement in the interests of Hong Kong. By campaigning against it, Mr Lee is doing a disservice to Hong Kong people and to the rule of law which both he and I cherish so much.

The tragedy is that having painted himself into a tight corner on the CFA in 1991, Mr Lee is now finding it hard to escape from it.

We have to hope, Hong Kong has to hope, that he can do so without Hong Kong suffering.

He is a brave and decent man, but on this occasion he has a rotten case.

U.S. Congress' Proposals Disrupt Repatriation

HK1506063395 Hong Kong SOUTH CHINA
MORNING POST in English 15 Jun 95 p 1

[By Greg Torode in Hanoi, Scott McKenzie and Libby-Jane Charleston]

[FBIS Transcribed Text] Hong Kong's crippled Vietnamese repatriation programme sustained another body-blow yesterday when most of the 100 boat people deported on a government-chartered flight refused to disembark at Hanoi's Noi Bai Airport. A diplomatic stand-off rapidly developed, with the Vietnamese Foreign Ministry saying the deportees were not to be forced from the plane while British officials refused to contemplate their return to Hong Kong.

The territory's voluntary repatriation scheme came to an abrupt halt last month when the boat people learned of proposals by the US Congress to allow up to 20,000 Vietnamese to settle in America.

Yesterday's tense eight-hour stalemate has threatened to scupper future flights of the forced repatriation scheme — the only measure now open to Hong Kong to empty all its detention centres by next year's deadline.

The most determined of the group — 30 men, women and children — finally walked from the Royal Brunei 767 charter shortly before 6 pm (Hanoi time).

After Correctional Services Department officers had battled to drag the Vietnamese, some wearing handcuffs, onto the plane in Hong Kong trouble again flared when they were stopped from removing the deportees in Hanoi. At one stage it appeared the Government might have ordered the plane back to Hong Kong — a move a British source said would have been "the worst signal yet". Allowing people to refuse to leave the aircraft and returning them to Hong Kong would inspire others to take the same action on future flights, the source said.

"Initially almost all the Vietnamese refused to disembark when the plane arrived at 10.55 am (Hong Kong

time) and negotiations began to clear the aircraft," a Hong Kong Security Branch spokesman said. Vietnamese officials intervened shortly after six Hong Kong officers in black track-suits were seen carrying a man kicking and screaming down the plane's stairs into a bus. Moments later a girl with pigtails, being carried down, grabbed a railing with both arms before Hong Kong security officers ripped her away. Seven others were carried or man-handled, some sitting Gandhi-like on the stairs for up to half an hour, while one man was seen to take a swing at an officer with a suitcase.

"We did this because we feel complete hatred for the Hong Kong authorities," said one of the returnees. "First they tear-gas us without warning, then they beat us on the aircraft to get us to move ... we did not want to do anything to help them." Some admitted the action was fuelled by the bill before the US Congress, offering hope for re-settlement.

Several men had cuts and bruises, one had a bandaged head. One man said Hong Kong officials thumped, twisted wrists and wrapped towels around people's heads in a bid to move them.

Flight crew, however, said the flight was calm and there was no violence on the plane during the standoff with returnees walking up and down the aisles, but refusing to get off. "The Vietnamese had made it clear ... no one was to touch the returnees," he said. "It was all quiet inside."

During the talk sat Hanoi airport, tensions appeared strained, with Interior Ministry officials filming negotiations beneath the wing of the 767 while Hong Kong officials were seen pushing a Vietnamese official from the plane.

Beijing Stands Firm on Container Objections

HK1506074795 Hong Kong HONGKONG
STANDARD in English 15 Jun 95 p 4

[By M Y Sung]

[FBIS Transcribed Text] China is sticking to its position on Container Terminal Nine (CT9), saying the project

should be re-tendered and hinting there could be no immediate resolution to the row.

Despite the good atmosphere after the Court of Final Appeal agreement reached last week, full co-operation between Britain and China is still uncertain.

Hong Kong and Macao Affairs Office (HKMAO) deputy director Chen Ziying said the CFA agreement indicated that relations between the two countries had improved.

It is speculated that other outstanding issues, including the CT9 dispute, may be resolved in the present climate.

However, a government official said yesterday difficulties still remained on the CT9 and the dispute would not be resolved immediately.

He said there was still "at least months to go" before a possible solution.

The government was accused of awarding the CT9 contract to a consortium led by the Jardine group as a reward for its support for Governor Chris Patten's political reforms.

Work could not go ahead on the CT9 project after China, condemning the tender as under-the-table, objected to the deal and called for a re-tender in an open manner. The government rejected the demand.

It is understood both sides are taking a tough stand in their respective positions.

HKMAO's economic affairs department director Zhang Liangdong yesterday confirmed China's stand had not changed.

A British source said they had consulted with the Chinese over not using an open tender before the contract was offered and could not now accept China's demand for a new and open tender.

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